



**U.S. Department of Justice**

**Federal Bureau of Investigation**

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*Washington, D.C. 20535*

June 12, 2012

The Honorable Trent Franks  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Congressman Franks:

This is in response to your letter to Director Mueller dated May 16, 2012 concerning the FBI's review of counterterrorism training materials. Similar responses will be sent to the other Members of Congress who joined in your letter.

Our review and remedial actions to address inappropriate training materials were thorough and comprehensive. More than 30 Agents and professional staff carried out the review over a period of months. The review compiled training materials dating back 10 years, including some 160,000 pages and 1,000 minutes of recordings. Less than one percent of the material reviewed contained factually inaccurate or imprecise information or used stereotypes.

For critical aspects of the review, we relied on a five-person team with combined backgrounds in the study of religion and culture, as well as experience and training in counterterrorism and countering violent extremism. As noted in your letter, we provided our oversight committees with additional information concerning these individuals by letter dated May 14, 2012. In addition, a copy of the material released to the American Civil Liberties Union in response to litigation brought pursuant to the Freedom of Information Act was provided to oversight committees by letter dated May 25, 2012.

In response to your request, FBI officials met with you and other Members of Congress on May 17, 2012 for approximately three hours. At that time, you had an opportunity to discuss the review process and standards, as well as review the material that is no longer used for counterterrorism training purposes. We have scheduled follow-up meetings with specific Members of Congress as requested and continue to encourage Members and staff to review this material if they have additional questions.

Honorable Trent Franks

The FBI is committed to ensuring that its counterterrorism training is accurate, appropriate, and consistent with the FBI's standards and Core Values. We appreciate your interest in this issue and your continued support of the FBI and its mission. If you have questions concerning this or other matters, please contact the Office of Congressional Affairs at [REDACTED]

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Sincerely,



Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

June 12, 2012

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Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

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Office of Congressional Affairs

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EAD-Intell. \_\_\_\_\_  
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Training \_\_\_\_\_  
Off. of EEOA \_\_\_\_\_

MAIL ROOM ☐

1 - FBI ExecSec, Room 6147

1 - AD Kelly

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1 - OCA Member's Folder

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*Washington, D.C. 20535*

June 12, 2012

The Honorable Louie Gohmert  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

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In response to your request, FBI officials met with you and other Members of Congress on May 17, 2012 for approximately three hours. At that time, you had an opportunity to discuss the review process and standards, as well as review the material that is no longer used for counterterrorism training purposes. We have scheduled follow-up meetings with specific Members of Congress as requested and continue to encourage Members and staff to review this material if they have additional questions.



Honorable Louie Gohmert

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U.S. Department of Justice

Federal Bureau of Investigation

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Washington, D.C. 20535

November 20, 2012

The Honorable Lamar Smith  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Smith:

This letter is in response to your August 22, 2012, letter to Director Mueller requesting information regarding Attorney General Holder's travel on Federal Bureau of Investigation (FBI) aircraft. Enclosed are the substantive answers to each question posed in your letter. These responses have been coordinated with the Department of Justice to ensure accuracy. This material will also be provided to the other Members who joined in your request.

We appreciate your continued support to the FBI and its mission. Please feel free to contact this office at [redacted] if you have any questions or concerns regarding these responses.

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Office of Congressional Affairs

Enclosures

1 - The Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

**Enclosure 1**  
**Responses to August 22, 2012 Request Regarding Attorney General Use of FBI**  
**Government Aircraft**

1. It is our understanding that the FBI aviation section has multiple uses for its aircraft. Provide the percentage of aircraft use for executive transportation, investigative operations and pilot training/maintenance for fiscal years 2008, 2009, 2010, 2011, and 2012.

**Response:**

Year	Executive Transportation	Investigative Operations	Pilot Training/Maintenance
2008	33%	63%	4%
2009	30%	60%	10%
2010	30%	63%	7%
2011	33%	59%	8%
2012	34%	58%	8%

\*Percentages based on the number of flights. Executive Transportation includes travel by Attorneys General, FBI Director, and other FBI officials.

2. In order to have aviation support for FBI operations, aircraft and pilots must be readily available. We have learned that in certain instances one of the FBI aircraft was reserved for use by DOJ, but the DOJ alternatively reserved another agency's aircraft as well. It is our understanding that despite the use of the other agency's aircraft, the FBI still paid for the DOJ executives' travel while on that aircraft and the reserved FBI aircraft sat idle as a result.

**Response:** The FBI pays for the cost of operating aircraft flown by the Attorney General as part of its mission to protect him, see further discussion in the response to question 5.a. FBI aircraft do not sit idle when the Attorney General or other DOJ executives use other agency aircraft.

- a. How many times has a request for FBI aviation support been unfulfilled because personnel and/or equipment were not available?
- b. How many investigative operations had unfulfilled aviation requests regardless of reason?
- c. For each of the aforementioned instances, what was the reason the aviation mission was not completed? Provide dates and locations for any such unfulfilled missions.
- d. For the aforementioned dates and locations that the FBI planes were not able to fulfill FBI missions, provide us with the aircraft manifests on those respective days along with a ledger of the executives utilizing the aircraft.

**Response:** Over the last 5 years the FBI had 33 unfulfilled requests for aviation support, 12 of which were requests for executive travel. (The unfulfilled requests do not include surveillance related flight assets, which are not used for executive transportation.)

- 25 requests were unfulfilled because of required aircraft maintenance;
  - 6 requests were unfulfilled because the aircraft was on a higher priority operational mission;
  - 1 request was unfulfilled due to extreme weather; and
  - 1 inquiry into the availability of a GV was made while one of the two aircraft was in maintenance and the other was already in use for executive transport and could not be repositioned in time.
- FBI developed a plan for an operation in a foreign country. As briefed to the Attorney General and the Deputy Attorney General, and as agreed by them, the plan did not call for use of FBI aircraft.
  - On September 28, 2011, operational personnel from the FBI's Counterterrorism Division (CTD), for the first time inquired about the availability of a GV (the only FBI aircraft capable of the long-distance trip involved) for use as a contingency option for the planned operation which was scheduled to occur the same day. At the time of the request, one GV aircraft was in maintenance and one GV was already supporting an Attorney General executive transport mission on the west coast and could not be repositioned from that location in time to support the request. Its use was therefore not a viable option and the Attorney General was never informed of the inquiry. Instead, CTD chartered a plane from an independent company, which was ultimately not needed because the primary operational plan that had previously been decided upon was executed without incident.
  - Please refer to Enclosure A and trip number 237 for information on the September 27-29, 2011 trip. Manifest from the flight:

Traveler	Agency
Eric Holder	DOJ
Channing Phillips	DOJ
Margaret Richardson	DOJ
Tracy Schmalzer	DOJ
Patrick Shearns	DOJ
FBI Staff	FBI – Aviation Communications Officer
FBI Staff	FBI – Protective Detail
FBI Staff	FBI – Protective Detail

3. Earlier this year, we heard troubling allegations that the Attorney General is among those who have reserved and used FBI planes for his own travel when aircraft were needed for FBI missions, then upgraded to a larger aircraft owned by a different agency and left the FBI plane sitting idle because he failed to notify the FBI in a timely manner. These allegations were particularly troubling because they suggested the FBI had to lease another plane to ensure the availability of aircraft for FBI operations. If these allegations

are true, describe in detail each such instance where the FBI had to lease an additional plane due to Justice Department executive travel.

**Response:** The allegations that: (1) the Attorney General failed to notify the FBI in a timely manner that he would use a different agency's aircraft; (2) that FBI aircraft were left sitting idle; and (3) the AG reserved FBI planes for his own travel when they were needed for FBI mission are not accurate. While certain FBI aircraft are utilized for executive transport when not operationally tasked, any travel by DOJ executives is secondary to the FBI's operational work. Therefore, no FBI operational flight was cancelled due to executive travel.

4. The FBI maintains a fleet of aircraft and employs aircrews to support its counterterrorism, counterintelligence, and criminal investigative missions. Where does executive transportation rank on the FBI's priority list for aviation operations? Although you testified that executive travel by principals is "secondary" to investigative priorities, how can Congress be assured that actual practice is consistent with that policy absent transparency about executive use of the aircraft?

**Response:** Investigative/operational missions are the FBI's highest priority, followed by required maintenance and pilot training missions. All executive travel requests are secondary. There have been several occasions where an executive flight has been cancelled or switched so the FBI could fly an operational mission. Internally, all continental United States flights require approval of an Operations Supervisor, the Unit Chief of the Special Flights Operations Unit (SFOU), and the Assistant Section Chief of the Surveillance and Aviation Section (SAS). All flights outside the continental United States must be approved by the Operations Supervisor, the Unit Chief of SFOU, the Assistant Section Chief of SAS, and the Deputy Assistant Director of the Critical Incident Response Group.

5. The Wall Street Journal reported that Secretary of Defense Leon Panetta incurred approximately \$870,000 in personal travel to and from his home in California using Department of Defense airplanes. The report brought public criticism to the high cost of travel by our executive leadership – criticism to which the Secretary, to his credit, responded. It is our understanding that the Justice Department does not reimburse the FBI, or other components, for its executive travel expenses even though the Justice Department maintains its own travel budget. Instead, we have learned that the FBI and other Justice Department components are billed for executive travel expenses even when non-FBI planes are used.

- a. Why does the FBI pay for the attorney general's travel when he uses non-FBI planes such as Department of Defense and Federal Aviation Administration planes?

**Response:** The White House Counsel's office has determined that the Attorney General (in addition to certain other cabinet officials) has the "authority to use government aircraft for official and unofficial travel" because he has a "heightened need for security" and requires "secure communications capability." See White House Counsel Memo "Use

of Government Aircraft for Official Business" (July 30, 1993). Under the terms of Office of Management and Budget Circular A-126, Improving the Management and Use of Government Aircraft, May 22, 1992, the Attorney General is a "required use" traveler on government aircraft. Circular A-126, provides that "[a]gencies shall operate government aircraft only for official purposes," which include "use of a government aircraft for the travel of an Executive Agency officer or employee," (such as the Attorney General), "where the use of the government aircraft is required because of bona fide communications or security needs of the agency or exceptional scheduling requirements." An FBI-conducted threat assessment supports the determination that the Attorney General is required to fly on government aircraft, for both official and personal travel, based on security and communications needs. We note that earlier FBI threat assessments reached the same conclusions and have been consistently applied for Attorneys General Ashcroft, Gonzales, Mukasey, and Holder.

In 2001 the General Counsel for the Justice Management Division (JMD) reviewed the potential funding sources available for the Attorney General's use of government planes. JMD found that while the Office of the Attorney General had paid for such expenses (from the General Administration account), FBI funds were equally available for this purpose. The FBI is statutorily responsible for the "protection of the person of the Attorney General." 28 U.S.C. § 533(3). As discussed above, the reason for the Attorney General's use of government planes is based on the White House and FBI assessments of his security and communication needs. The same security need is present regardless of whether the plane being used is an FBI plane or another agency's plane. In the same way that the FBI pays for the salaries of the FBI agents who travel with and protect the Attorney General, it is appropriate for the FBI to pay for the planes that it deems secure enough for his travel. Based on the security nexus, and resulting determination that FBI funds were legally available for the Attorney General's use of government aircraft, the Office of the Attorney General decided in 2001 that the FBI would be the funding source for any future Attorney General government aircraft use. The Department has adhered to this decision consistently for the last 11 years, across multiple administrations and Attorneys General.

While the FBI appropriation pays for the direct *security* needs inherent in the Attorney General's travel (*e.g.*, the use of government planes and his protective detail), the Office of the Attorney General funds the Attorney General's ordinary *travel* expenses. These include the Attorney General's lodging, meals and other allowable expenses as delineated in the Federal Travel Regulations (41 C.F.R. ch. 301).

Regardless of plane type or ownership, the FBI is charged with the mission of providing a secure government aircraft for the Attorney General.

- b. Does the FBI document the Attorney General's Official and personal travel? If so, please provide the documentation. Does the FBI differentiate between the two types of travel?

**Response:** Yes. In accordance with OMB Circular A-126, the FBI flight logs distinguish official, wholly personal, and combined official/personal travel. Documentation is provided in Enclosure B.

- c. Does the Attorney General reimburse the taxpayer for personal travel expenses when he uses FBI aircraft, like Secretary Panetta does with the DOD? If so, at what rate does he reimburse the taxpayer and how much does that rate compare with the actual costs of using the aircraft? How much was reimbursed total in each fiscal year: 2008, 2009, 2010, 2011, and 2012?

**Response:** Yes, the Attorney General reimburses the government for his personal use of government aircraft in accordance with OMB Circular A-126. The A-126 requirements date to May 22, 1992, and provide the reimbursement rules that apply to all cabinet officials, including the Secretary of Defense. As noted above, the Attorney General is considered a "required use" traveler on government aircraft, including for his personal air travel, based on a security determination. When he flies on personal or combines personal and official travel, he reimburses the government as required.

OMB Circular A-126 Section 9 covers "Reimbursement for Use of Government Aircraft." Section 9(b)(i) states that if a required use traveler uses a government plane for "a wholly personal" trip the traveler shall reimburse "the full coach fare for the trip." Section 9(b)(iii) provides that where "the employee flies to one or more locations for personal reasons, the excess of the full coach fare of all flights taken by the employee on the trip over the full coach fare of the flights that would have been taken by the employee had there been no personal activities on the trip" must be reimbursed. Attorneys General have reimbursed the government for personal travel on government planes in accordance with the above.

The OMB Circular A-126 reimbursement rate using full coach fares is necessarily less than actual operating cost of the government aircraft flights. The incremental cost difference between coach fare reimbursement and actual operating costs is attributable to the required use security portion of the travel. In this regard, the Attorney General's travel and reimbursement are no different than that of other cabinet members who are required to travel on government aircraft based on security assessments and who provide reimbursement in accordance with OMB Circular A-126.

The final part of your question asked for the amount reimbursed by Attorneys General for personal travel on FBI aircraft for each fiscal year 2008 through 2012. The reimbursement amounts, which cover both FBI and non-FBI aircraft, are:

FY 2008: Attorney General Mukasey \$19,334.75

FY 2009: Attorney General Mukasey \$7,045.91

FY 2009: Acting Attorney General Filip \$730.00



FY 2009: Attorney General Holder \$10,095.04

FY 2010: Attorney General Holder \$10,113.04

FY 2011: Attorney General Holder \$11,064.03

FY 2012 to date: Attorney General Holder \$9,683.80

d. In each of the past five years, how much has DOJ billed the FBI for executive travel?

**Response:** As noted in the response to question 5.a., since 2001, as part of the security protection of Attorneys General, the FBI appropriation directly bears the Attorney General's government aircraft costs, and thus FBI's own aircraft costs are not "billed" as such.

FBI flight costs are contained in Enclosure B. As of September 11, 2012, for other government aircraft costs billed to the FBI, the FBI has been billed \$385,210.06 by FAA for Attorneys General travel over the past five years. For DOD, FBI has received \$925,898.15 in bills and/or billing estimates for Attorneys General travel over the past five years. Refer to Enclosures C and D for FAA and DOD charges. Other unbilled DOD charges are outstanding.

Other Attorneys General travel costs, e.g. lodging, meals and other allowable expenses as delineated in the Federal Travel Regulations (41 C.F.R. ch. 301), are paid out of the budget of the Office of the Attorney General.

e. Provide a list of all the flights billed to the FBI by DOJ and distinguish between official business travel for investigative, operational purposes, official business travel for senior executives and non-official personal travel for senior executives. Include information for each flight regarding: total cost; cost to DOJ (including per diem); cost to FBI (actual travel); mode of travel (FBI, FAA, Drug Enforcement Administration, DOD, commercial); and the destination, purpose and designation as business or personal.

**Response:** See reply to 5.d above.

f. If a federal government [i.e. non-FBI] aircraft was used for any particular flight, include all legs from the plane's base to where it picked up passengers, destination of the flight, and return legs. Also include a list of all passengers, designated as DOJ employees, other government, or personal travel passengers. For other than DOJ employees, provide the agency name, amount owed to DOJ and FBI, actual amount reimbursed to DOJ and FBI.

**Response:** Please see Enclosure C for FAA charges, and Enclosure D for DOD charges. Regarding additional passenger information on the FAA and DOD flights, see Enclosure E.

6. In May 2012, the Office of Management and Budget (OMB) ordered agencies to cut travel costs by thirty percent. It is our understanding that agencies can get exemption waivers if certain travel is deemed related to national security. Further, an Executive Order requires that you and other security and defense-related agency heads, such as the Attorney General, travel for work and personal reasons via government planes.
- a. Can you explain how the FBI will comply with OMB's order when it is paying additional travel expenses for the Attorney General?

**Response:** The Department and FBI will meet the required 30 percent travel reduction target. OMB memo M12-12 provided that "The agency may exclude certain travel expenses from reduction only if the agency head determines that inclusion of such expenses as part of the 30 percent reduction target would undermine such critical government functions as national security, international diplomacy, health and safety inspections, law enforcement, or site visits required for oversight or investigatory purposes." OMB M12-12 further states in footnote 2 that "For example, the Attorney General may determine that some portion of the travel by Federal Bureau of Investigation agents is necessary to investigate specific criminal activity and should be excluded from the baseline of travel expenses from which the 30 percent reduction would be taken."

The intent of the OMB guidance was that travel related to critical government functions not be detrimentally impacted by the savings initiative, and the Department adheres to that guiding principle. The Department submitted exemptions from the baseline upon which the 30 percent reduction will be applied, based on our unique national security and law enforcement mission. Our proposed savings target was adjusted accordingly. Neither the Department nor the FBI is curtailing essential travel for investigations, trial appearances, agent field work, or other operational needs as a result of the OMB savings target or executive aircraft use. Further, the OMB directive applies to the Department as a whole, not to each component. Therefore, if FBI requires flexibility in its travel spending, that can be accommodated within the overall totals.

- b. Who decides whether a particular trip is designated for national security and should be covered by an exemption waiver?

**Response:** The OMB guidance did not require submission of individual trip exemptions, and the Department and FBI can meet the 30 percent reduction without a need for exempting executive travel. (The exemption process was used to determine any broad exclusions, e.g. national security, law enforcement, etc., necessary for the calculation of the DOJ savings target).

- c. Would the need for designation and review of a trip hinder the FBI's ability to function if a waiver were needed in a short period of time?

**Response:** The FBI's access to its aircraft is not impacted by the OMB M12-12 process.

- d. How does the FBI currently differentiate its own travel from the Attorney General's travel when following Congressional reporting requirements?

**Response:** The FBI is able to differentiate funds spent on executive force protection, which includes the Attorney General and his use of FBI aviation assets, from other FBI travel.

November 20, 2012

The Honorable Lamar Smith  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
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1 - DAD Lambert



**U.S. Department of Justice**

**Federal Bureau of Investigation**

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*Washington, D.C. 20535*

March 15, 2012

The Honorable Lamar S. Smith  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

This is in response to your letter dated January 19, 2012 and confirms that criminal history information responsive to the Committee's request has been provided to the Department of Homeland Security (DHS). I apologize for the delay in providing a written response.

The FBI provided DHS with the requested information on January 26, 2012. Subsequent conversations with Committee staff and DHS confirmed that the responsive information was received and nothing further is required from the FBI in response to this request.

We appreciate the Committee's willingness to take specific steps to safeguard this information to address the privacy concerns. Please contact this office at [redacted] if you have additional questions concerning this or any other matter.

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Sincerely,

Stephen D. Kelly  
Assistant Director  
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March 15, 2012

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This is in response to your letter dated January 19, 2012 and confirms that criminal history information responsive to the Committee's request has been provided to the Department of Homeland Security (DHS). I apologize for the delay in providing a written response.

The FBI provided DHS with the requested information on January 26, 2012. Subsequent conversations with Committee staff and DHS confirmed that the responsive information was received and nothing further is required from the FBI in response to this request.

We appreciate the Committee's willingness to take specific steps to safeguard this information to address the privacy concerns. Please contact this office at [redacted] if you have additional questions concerning this or any other matter.

b7E

Sincerely,

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Dep. Director \_\_\_\_\_  
EAD-Adm. \_\_\_\_\_  
EAD-CT/CI \_\_\_\_\_  
EAD-Crim. 1- [redacted] WV, Room A3-211  
EAD-Intell. 1- [redacted]  
EAD-LES 1- FBI ExecSec, Room 6147 (TRIM # 12/DO/343)  
Asst. Dir.:  
Adm. Serv. 1- AD Kelly  
CJIS \_\_\_\_\_  
Crim. Inv. 1- OCA Member Folder  
Cyber \_\_\_\_\_  
Finance 1- 62F-HQ-1077228  
Info. Res. \_\_\_\_\_  
Inspection \_\_\_\_\_  
Inv. Tech. \_\_\_\_\_  
Laboratory \_\_\_\_\_  
Off. of Cong. Affs. SDK  
Off. of the Gen. \_\_\_\_\_  
Coun. \_\_\_\_\_  
Off. of Intell. \_\_\_\_\_  
Off. Pub. Affs. \_\_\_\_\_  
Off. of Prof. Resp. \_\_\_\_\_  
Rec. Mgmt. \_\_\_\_\_  
Security \_\_\_\_\_  
Training \_\_\_\_\_  
Off. of EEOA \_\_\_\_\_

MAIL ROOM ☐

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b7C



**U.S. Department of Justice**

**Federal Bureau of Investigation**

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*Washington, D.C. 20535*

May 25, 2012

The Honorable Lamar Smith  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

Thank you for the Committee's interest in the FBI's review of its counterterrorism training materials. As you know, as a result of the identification of some training materials that raised concerns, in September 2011, the FBI launched a comprehensive review of all FBI counterterrorism training. Through the review, we found that the overwhelming majority of our counterterrorism training materials met the FBI's standards. Of the approximately 160,000 pages of training material reviewed, less than one percent contained factually inaccurate or imprecise information or used stereotypes. Committee staff has been briefed concerning this process and many have taken the opportunity to review the training materials that were removed or needed to be corrected.

In addition to these materials, the Committee has requested information concerning disclosures of additional counterterrorism training material in response to requests under the Freedom of Information Act (FOIA). Enclosed please find a DVD containing counterterrorism training material released to the American Civil Liberties Union (ACLU) in response to litigation brought pursuant to the FOIA. A copy of the civil complaint, including the original FOIA requests, is also enclosed. Interim releases to the ACLU began in December 2010 and continued until 2012. Additional FOIA requests are also pending.

The FBI's review and remedial actions to address inappropriate training materials were thorough and comprehensive. More than 30 Agents and professional staff carried out the review over a period of months. The review compiled training materials dating back 10 years, including some 160,000 pages and 1,000 minutes of recordings. For critical aspects of the review, we relied on a five-person team that included three individuals from outside the FBI and two from within the FBI. The team possessed advanced academic training and experience in Islamic Studies, religion, international relations, Arabic, and the history of the Middle East, and held degrees from major American and international universities. Specific information concerning these individuals was provided to the Committee by letter date May 14, 2012. The combination of backgrounds in the study of religion and culture, as well as experience and training in counterterrorism and countering violent extremism, gave the team a collective expertise on the issues under review.

The Honorable Lamar Smith

We appreciate the Committee's interest in this issue and its continued support of our mission. If you have any questions concerning this or other issues, please contact the Office of Congressional Affairs at

b7E

Sincerely,



Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Enclosures (2)

1 - The Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515



May 25, 2012

The Honorable Lamar Smith  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

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Dep. Director  
EAD-Adm. ☒  
EAD-CT/CI ☒  
EAD-Crim. ☒  
EAD-Intell. ☒  
EAD-LES ☒  
Asst. Dir.:  
Adm. Serv. ☒  
CJIS ☒  
Crim. Inv. ☒  
Cyber ☒  
Finance ☒  
Ident. ☒  
Inspection ☒  
Intell. ☒  
Lab. ☒  
Off. of Cong. & Public Affairs ☒  
Off. of the Gen. Coun. ☒  
Off. of Intell. ☒  
Off. of Pub. Affs. ☒  
Off. of Prof. Resp. ☒  
Rec. Mgmt. ☒  
Security ☒  
Training ☒  
Off. of EEOA ☒

1 - FBI ExecSec, Room 6147  
1 - AD Kelly  
1 - [redacted]  
1 - OCA Member's Folder

MAIL ROOM ☐

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b7c

The Honorable Lamar Smith

We appreciate the Committee's interest in this issue and its continued support of our mission. If you have any questions concerning this or other issues, please contact the Office of Congressional Affairs at

b7E

Sincerely,

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Enclosures (2)

1 - The Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
DELETED PAGE INFORMATION SHEET  
FOI/PA# 1273155-0

Total Deleted Page(s) = 2  
Page 2 ~ Referral/Consult;  
Page 3 ~ Referral/Consult;

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~~SECRET~~

UNCLASSIFIED WHEN SEPARATED FROM CLASSIFIED ENCLOSURE

May 14, 2012

The Honorable Lamar Smith  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

This is in response to the Committee's request for additional information concerning the individuals involved in the FBI's review of counterterrorism training materials.

Please find enclosed a list titled "*Subject Matter Expert Team*," which provides the names of the persons involved in the FBI's review of its counterterrorism training materials, the organization they currently work with, and a brief description of their area of expertise.

We appreciate your continued support of the FBI and its mission. If you have additional questions concerning this or other issues, please contact the Office of Congressional Affairs at [REDACTED]

b7E

Sincerely,

Stephen Kelly  
Assistant Director  
Office of Congressional Affairs

Dep. Director \_\_\_\_\_  
EAD-Adm. \_\_\_\_\_  
EAD-CT/CI \_\_\_\_\_  
EAD-Crim. \_\_\_\_\_  
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Security \_\_\_\_\_  
Training \_\_\_\_\_  
Off. of EEOA \_\_\_\_\_

Enclosure

1 - The Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary Intelligence  
U.S. House of Representatives  
Washington, D.C. 20515

1 - The Honorable Louie Gohmert  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, D.C. 20515

1 - AD Kelly  
[REDACTED]  
1 - FBI ExecSec, Room 6147

MAIL ROOM ☐

~~SECRET~~

UNCLASSIFIED WHEN SEPARATED FROM CLASSIFIED ENCLOSURE

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b7C



U.S. Department of Justice

Federal Bureau of Investigation

Washington, D.C. 20535

June 11, 2012

The Honorable Lamar Smith  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

Pursuant to Public Law 102-395, Section 102(b)(5)(B), enclosed are copies of reports on FBI undercover activity for fiscal years 2010 and 2011. As required by statute, the reports contain the number, by program, of undercover investigative operations pending at the end of each fiscal year, the number of undercover investigative operations initiated during the fiscal year, and the number of undercover operations closed during the fiscal year. Descriptions are provided of those closed operations which involve any of the sensitive circumstances specified in the Attorney General's Guidelines on FBI Undercover Operations.

As set forth above, these reports contain sensitive information concerning FBI investigative activities. They are provided in furtherance of the Committee's oversight responsibilities. Information contained within should not be further disseminated without consultation with the FBI.

We appreciate the Committee's continued support of the FBI and its mission. Should you have questions concerning this or other matters, please contact the FBI's Office of Congressional Affairs at

b7E

Sincerely,

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Enclosures

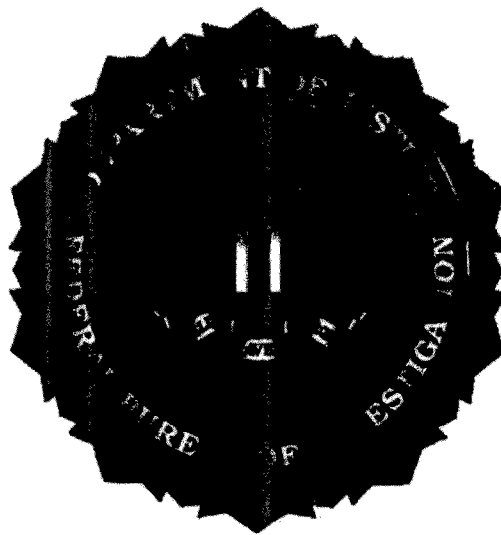
1 - The Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

1 - The Honorable Patrick J. Leahy  
Chairman  
Committee on the Judiciary  
United States Senate  
Washington, DC 20510

1 - The Honorable Charles E. Grassley  
Ranking Member  
Committee on the Judiciary  
United States Senate  
Washington, DC 20510

# **ANNUAL REPORT TO CONGRESS**

**FEDERAL BUREAU OF INVESTIGATION  
CRIMINAL UNDERCOVER ACTIVITY**



**FISCAL YEAR 2010**

## **TABLE OF CONTENTS**

- I. The number of undercover investigative operations pending as of 09/30/2010, by program.
- II. The number of undercover investigative operations initiated during the period of 10/01/2009 through 09/30/2010, by program. (Fiscal Year 2010)
- III. The number of undercover investigative operations closed during the period of 10/01/2009 through 09/30/2010, by program. (Fiscal Year 2010)

## Undercover Operations Defined

The Attorney General's Guidelines on FBI Undercover Operations define [REDACTED]

[REDACTED]  
[REDACTED] For purposes of  
these Guidelines [REDACTED]

[REDACTED]

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"Undercover Activities" means [REDACTED]

[REDACTED]  
[REDACTED]

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[REDACTED] are distinguished by the existence or absence of  
sensitive and/or fiscal circumstances. [REDACTED]

[REDACTED]

[REDACTED] The sensitive circumstances, per the  
Attorney General's Guidelines, are as follows: Public Corruption; Intrusion into  
Government; Privileged Relationships; Safety; Felonious Activity by a UCE; Money  
Laundering in Excess of \$1,000,000; Third-Party Liability; Terrorism Enterprise  
Investigations; and Proprietaries. [REDACTED]

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[REDACTED]



I. The number of undercover investigative operations pending as of 09/30/2010, by program.

Program	Pending UCOs
Cyber Criminal Section (CyD)	53
Domestic Terrorism Strategic Operations Section (DT)	11
Financial Crimes Section (FCS)	23
Latin America Southwest Border Threat Section (LASWBT)	21
Transnational Organized Crime Threat Section (TOCTS)	15
Public Corruption/Civil Rights Section (PC/CRS)	23
Violent Criminal Threat Section (VCTS)	4
Total	150

II. The number of undercover investigative operations initiated during the period of 10/01/2009 through 09/30/2010, by program.

Program	UCOs Initiated
CyD	53
DT	11
FCS	21
LASWBTS	20
TOCTS	13
PC/CRS	19
VCTS	4
Total	141

**III.**

**The number of undercover investigative operations closed\* during the period of 10/01/2009 through 09/30/2010, by program.**

<b>Program</b>	<b>UCOs Closed</b>
CyD	5
DT	9
FCS	15
LASWBTS	11
TOCTS	8
PC/CRS	7
VCTS	1
Total	56

The statistical information listed above in tables I, II, and III reflect numbers tabulated for fiscal year 2010.

\*For the purposes of this report, a "closed" undercover investigative operation as defined in Public Law (PL) 102-395, paragraph 6, subsection (A), is as follows:

the earliest point in time at which -

- (i) all criminal proceedings (other than appeals) are concluded, or
- (ii) covert activities are concluded, whichever occurs later.

Per PL 102-395, paragraph 5, subsection (B)(iii), with respect to each such closed undercover operations, the results obtained.

The results for the 45 closed UCOs which did not have sensitive circumstances as defined in the Attorney General's Guidelines on FBI Undercover Operations:

- 58 Indictments
- Seven (7) Informations
- 39 Complaints
- 75 Arrests
- 73 Convictions
- 72 Sentences
- Two (2) Dismissals

With respect to each such closed undercover operation which involves any of the sensitive circumstances specified in the Attorney General's Guidelines on FBI Undercover Operations, such report shall contain a detailed description of the operation and related matters, including information pertaining to-

- (I) the results,
- (II) any civil claims, and
- (III) identification of such sensitive circumstances involved, that arose at any time during the course of such undercover operation.

The attached report of the 11 closed UCOs which involved any of the sensitive circumstances specified in the Attorney General's Guidelines on FBI Undercover Operations includes the **Congressional Financial Report** prepared and provided by the Inspection Division's Audit Unit (INSD AU) as required by PL 102-395 paragraph 5, subsection A. PL 102-395 paragraph 5, subsection A states the FBI shall conduct a detailed financial audit of each undercover investigative operation closed during the fiscal year. For the purposes of the **Congressional Financial Report**, PL 102-395 paragraph 6, subsection C, defined the term "undercover investigative operation" and "undercover operation" as any undercover investigation of the FBI-

- (i) in which
  - (I) the gross receipts (excluding interest earned) exceed \$50,000 or
  - (II) expenditures (other than expenditures for salaries of employees) exceed \$150,000, and
- (ii) which is exempt from section 3302 or 9102 of title 31 of the United States Code.

**CASE SUMMARIES/FUNDING DETAILS**  
**CONGRESSIONAL FINANCIAL REPORT**

1. Name:   
Field office: Boston  
UCO Initiated:   
UCO Terminated:

b7A

**Description detail(s):** The operation targeted

**A. Results:**

b7A

**A1. Congressional Financial Report:**

The accompanying Statement of Funding and Expenditures for the  UCO was prepared for the purpose of complying with the United States Department of Justice Appropriation Authorization Act, Fiscal Year 2003, as enacted by Public Law 102-395. The financial information presented in these statements is a compilation of the financial information for the entire period of the UCO. Those statements were audited quarterly by the internal auditors within the Boston Division.

**STATEMENT OF FUNDING AND EXPENDITURES**

**Sources of Cash:**

Funds Provided by FBI  
Project Generated Income (PGI)  
Interest Income  
Total Sources of Cash

**Operational Costs:**

Total Operational Costs  
Unused PGI Remitted  
Interest Income Remitted  
Total Remittances to FBIHQ  
Total Operational Costs and Funds Remitted to FBIHQ

b7E

- B. **Civil Claims:** None

**C. Sensitive Circumstances:**

b7A

2. Name: Soft Tissue  
Field office: Chicago  
Opened: 12/23/1997  
UCO Terminated: 05/25/2010

**Description detail(s):** This UCO targeted individuals involved in staging automobile accidents in order to defraud insurance companies.

**A. Results:**

- 187 Indictments
- 187 Arrests
- 156 Convictions
- 156 Sentences
- Ten (10) Indictments dismissed
- Nineteen (19) Pre-trial diversions
- One (1) Death
- One (1) Acquittal

**A1. Congressional Financial Report:**

The accompanying Statement of Funding and Expenditures for the Soft Tissue UCO was prepared for the purpose of complying with the United States Department of Justice Appropriation Authorization Act, Fiscal Year 2003, as enacted by Public Law 102-395. The financial information presented in these statements is a compilation of the financial information for the entire period of the UCO. Those statements were audited quarterly by the internal auditors within the Chicago Division.

**STATEMENT OF FUNDING AND EXPENDITURES**

**Sources of Cash:**

Funds Provided by FBI  
Project Generated Income (PGI)  
Total Sources of Cash

**Operational Costs:**

Total Operational Costs  
Unused PGI Remitted  
Total Remittance to FBIHQ  
Total Operational Costs and Funds Remitted to FBIHQ

b7E

**B. Civil Claims:** None

**C. Sensitive Circumstances:** Proprietary Business; and Privileged Relationship(s).

3. Name: Paesan Blues  
Field office: Miami  
Opened: 09/24/2009  
UCO Terminated: 04/02/2010

**Description detail(s):** This UCO targeted an associate of the Sicilian mafia who led an organized criminal enterprise involved in drug trafficking, money laundering, telemarketing fraud and weapons trafficking.

**A. Results:**

- Two (2) Federal Indictments
- Two (2) Arrests
- Two (2) convictions
- Two (2) sentences

**A1. Congressional Financial Report:**

The Paesan Blues UCO totaled [redacted] in expenditures and did not have any project generated income. Although the case was exempted from section 3302 of Title 31, this case did not qualify for a Congressional Financial Report due to it not exceeding \$150,000 in expenditures or \$50,000 in project generated income. This operation was audited quarterly by the internal auditors within the Miami Division.

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**B. Civil Claims:** None

**C. Sensitive Circumstances:** Due to the sensitive nature of [redacted]

b7E

4.     Name:                 Broken Boards  
       Field office:       Newark  
       Opened:            11/20/2006  
       UCO Terminated:  02/02/2010

**Description detail(s):** This UCO investigated New Jersey's State school construction program fraud.

**A.     Results:**

- Twelve (12) Federal complaints
- Nine (9) Federal Indictments
- Nine (9) Federal Informations
- Fifteen (15) Federal convictions
- One (1) Local indictment
- One (1) Local conviction
- Recoveries: \$11,400
- Fines: \$83,000

**A1.   Congressional Financial Report:**

The accompanying Statement of Funding and Expenditures for the Broken Boards UCO was prepared for the purpose of complying with the United States Department of Justice Appropriation Authorization Act, Fiscal Year 2003, as enacted by Public Law 102-395. The financial information presented in these statements is a compilation of the financial information for the entire period of the UCO. Those statements were audited quarterly by the internal auditors within the Newark Division.

**STATEMENT OF FUNDING AND EXPENDITURES**

**Sources of Cash:**

Funds Provided by FBI  
Total Sources of Cash

**Operational Costs:**

Total Operational Costs  
Unused Funding Returned  
Total Remittance to FBIHQ  
Total Operational Costs and Funds Remitted to FBIHQ

Total Operational Costs and Funds Remitted to FBIHQ

**B.     Civil Claims:** None

**C.     Sensitive Circumstances:** Public Corruption.

5.     Name:                 White Eagle  
       Field office:       New Haven  
       Opened:            06/16/2009  
       UCO Terminated:   12/16/2009

**Description detail(s):** This UCO was initiated to determine the location of a top-ten fugitive.

**A.     Results:** None

**A1.    Congressional Financial Report:**

The White Eagle UCO had no expenditures and did not have any project generated income. Although the case was exempted from section 3302 of Title 31, this case did not qualify for a Congressional Financial Report due to it not exceeding \$150,000 in expenditures or \$50,000 in project generated income. This operation was audited quarterly by the internal auditors within the New Haven Division.

**B.     Civil Claims:** None

**C.     Sensitive Circumstances:** Terrorism Enterprise.



6. Name: Island Dance  
Field office: New York  
Opened: 02/17/2005  
UCO Terminated: 08/06/2010

**Description detail(s):** This UCO was initiated to target the criminal activities of the LCN's crew. The subjects and their associates were involved in traditional LCN crimes such as gambling, extortion, extortionate credit transactions and money laundering.

- A. Results:**
- Fifteen (15) Federal Complaints
  - Fifteen (15) Federal Indictments
  - Fifteen (15) Federal Arrests
  - Twelve (12) Federal Convictions
  - Three (3) Indictments dismissed
  - Twelve (12) Federal sentences

**A1. Congressional Financial Report:**

The accompanying Statement of Funding and Expenditures for the Island Dance UCO was prepared for the purpose of complying with the United States Department of Justice Appropriation Authorization Act, Fiscal Year 2003, as enacted by Public Law 102-395. The financial information presented in these statements is a compilation of the financial information for the entire period of the UCO. Those statements were audited quarterly by the internal auditors within the New York Division.

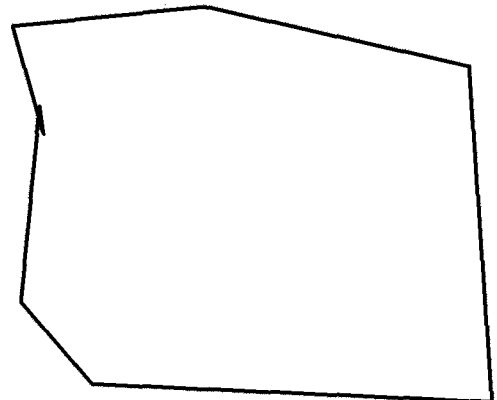
**STATEMENT OF FUNDING AND EXPENDITURES**

**Sources of Cash:**

Funds Provided by FBI  
Project Generated Income  
Interest Income  
Total Sources of Cash

**Operational Costs:**

Total Operational Costs  
Unused Funding Returned  
Interest Income Remitted  
Total Remittance to FBIHQ  
Total Operational Costs and Funds Remitted to FBIHQ



b7E

- B. Civil Claims:** None
- C. Sensitive Circumstances:** Public Corruption; and money laundering.

7. Name: Periodic Table  
Field office: Portland  
Opened: 03/02/2004  
UCO Terminated: 06/18/2010

**Description detail(s):** This UCO targeted subjects of Animal Rights Group's arsons that occurred between 1996 and 2001, in the western United States (U.S.).

**A. Results:**

- One (1) Positive Intelligence dissemination
- One (1) DT liaison contact (state and local)
- One (1) DI-domain/strategic identified trend/threat
- One (1) Developed operational plan
- One (1) Operationally-controlled meeting
- One (1) Intelligence Report

**A1. Congressional Financial Report:**

The accompanying Statement of Funding and Expenditures for the Periodic Table UCO was prepared for the purpose of complying with the United States Department of Justice Appropriation Authorization Act, Fiscal Year 2003, as enacted by Public Law 102-395. The financial information presented in these statements is a compilation of the financial information for the entire period of the UCO. Those statements were audited quarterly by the internal auditors within the Portland Division.

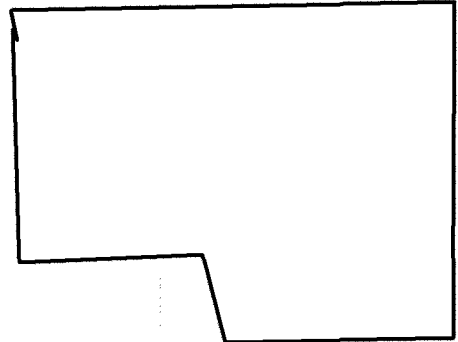
**STATEMENT OF FUNDING AND EXPENDITURES**

**Sources of Cash:**

Funds Provided by FBI  
Total Sources of Cash

**Operational Costs:**

Total Operational Costs  
Unused Funding Returned  
Refund Remitted  
Total Remittances to FBIHQ  
Total Operational Costs and Funds Remitted to FBIHQ



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**B. Civil Claims:** None

**C. Sensitive Circumstances:** Terrorism Enterprise and Third-Party Liability.

8.     Name:                 Curb Appeal  
       Field office:       St. Louis  
       Opened:            11/04/2008  
       UCO Terminated:  12/16/2009

**Description detail(s):** This UCO was initiated to identify and gather evidence against mortgage brokers, loan officers, appraisers and others involved in the falsification of mortgage loan applications, as well as to develop evidence against co-conspirators.

**A.     Results:** None

**A1.    Congressional Financial Report:**

The Curb Appeal UCO totaled [REDACTED] in expenditures and did not have any project generated income. Although the case was exempted from section 3302 of Title 31, this case did not qualify for a Congressional Financial Report due to it not exceeding \$150,000 in expenditures or \$50,000 in project generated income. This operation was audited quarterly by the internal auditors within the St. Louis Division.

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**B.     Civil Claims:** None

**C.     Sensitive Circumstances:** Third-Party Liability

9.     Name:                   Pure Heart  
       Field office:        St. Louis  
       Opened:             04/14/2004  
       UCO Terminated:   06/18/2010

**Description detail(s):** This UCO was initiated to gather intelligence on the illegal activities of dissident groups movement throughout the U.S., and to disrupt any planned acts of violence and/or prevent any domestic terrorism events.

**A.     Results:**

- Fourteen (14) Intelligence Report disseminations
- Penetrated groups/cells by Source: 5
- Suspected terrorist designated: 1
- Prevented/interdicted terrorist act(s): 1

**A1.   Congressional Financial Report:**

The accompanying Statement of Funding and Expenditures for the Pure Heart UCO was prepared for the purpose of complying with the United States Department of Justice Appropriation Authorization Act, Fiscal Year 2003, as enacted by Public Law 102-395. The financial information presented in these statements is a compilation of the financial information for the entire period of the UCO. Those statements were audited quarterly by the internal auditors within the St. Louis Division.

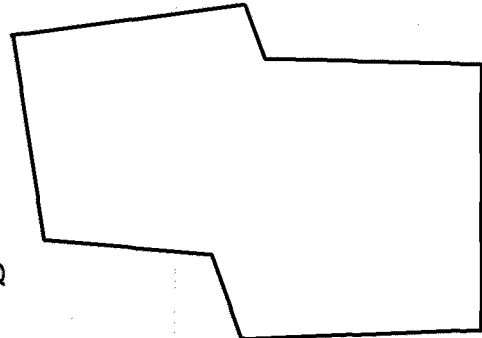
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Funds Provided by FBI  
Total Sources of Cash

**Operational Costs:**

Total Operational Costs  
Unused Funding Returned  
Total Remittance to FBIHQ  
Total Operational Costs and Funds Remitted to FBIHQ



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**B.     Civil Claims: None**

**C.     Sensitive Circumstances: Terrorism Enterprise.**

10. Name: Green Traketon  
Field office: San Juan  
Opened: 03/17/2004  
UCO Terminated: 07/10/2010

**Description detail(s):** This UCO targeted cells of Colombian drug traffickers and money launderers that operated in the U.S. and Puerto Rico.

**A. Results:**

- Thirty-one (31) subjects indicted and arrested
- Twenty-six (26) subjects convicted and sentenced
- Five (5) subjects released; case dismissals

**A1. Congressional Financial Report:**

The accompanying Statement of Funding and Expenditures for the Green Traketon UCO was prepared for the purpose of complying with the United States Department of Justice Appropriation Authorization Act, Fiscal Year 2003, as enacted by Public Law 102-395. The financial information presented in these statements is a compilation of the financial information for the entire period of the UCO. Those statements were audited quarterly by the internal auditors within the San Juan Division.

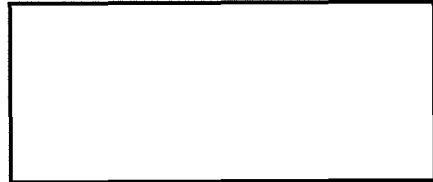
**STATEMENT OF FUNDING AND EXPENDITURES**

**Sources of Cash:**

Project Generated Income  
Total Sources of Cash

**Operational Costs:**

Total Operational Costs



b7E

**B. Civil Claims:** None

**C. Sensitive Circumstances:** Money Laundering.

11. Name: Confederate Idol  
Field office: Springfield  
Opened: 06/25/2008  
UCO Terminated: 09/07/2010

**Description detail(s):** This UCO was initiated to gather intelligence on the illegal activities of dissident groups movement throughout the U.S., and to disrupt any planned acts of violence and/or prevent any domestic terrorism events.

**A. Results:**

- Sixty-four (64) Intelligence disseminations
- Twenty-three (23) reported cases
- Forty-six (46) Intelligence requirements reported
- Five (5) Intelligence Reports produced
- Three (3) lone offenders identified
- Four (4) cases initiated

**A1. Congressional Financial Report:**

The Confederate Idol UCO totaled [REDACTED] in expenditures and did not have any project generated income. Although the case was exempted from section 3302 of Title 31, this case did not qualify for a Congressional Financial Report due to it not exceeding \$150,000 in expenditures or \$50,000 in project generated income. This operation was audited quarterly by the internal auditors within the Springfield Division.

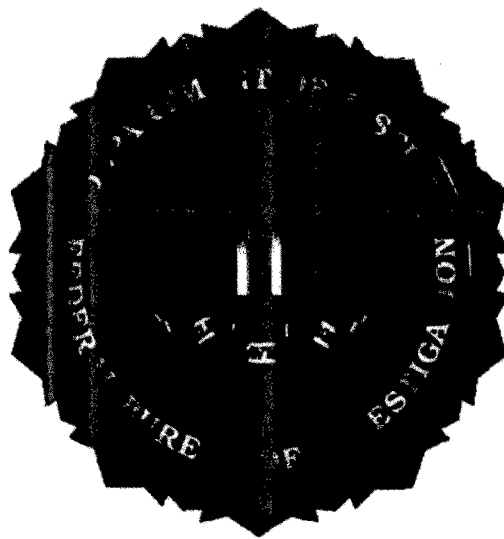
b7E

**B. Civil Claims:** None

**C. Sensitive Circumstances:** Terrorism Enterprise.

# **ANNUAL REPORT TO CONGRESS**

**FEDERAL BUREAU OF INVESTIGATION  
CRIMINAL UNDERCOVER ACTIVITY**



**FISCAL YEAR 2011**

## **TABLE OF CONTENTS**

- I. The number of undercover investigative operations pending as of 09/30/2011, by program.
- II. The number of undercover investigative operations initiated during the period of 10/01/2010 through 09/30/2011, by program. (Fiscal Year 2011)
- III. The number of undercover investigative operations closed during the period of 10/01/2010 through 09/30/2011, by program. (Fiscal Year 2011)



## Undercover Operations Defined

The Attorney General's Guidelines on FBI Undercover Operations [REDACTED]

[REDACTED] For purposes of these Guidelines, [REDACTED]

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**"Undercover Activities"** means [REDACTED]

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[REDACTED] are distinguished by the existence or absence of sensitive and/or fiscal circumstances.

[REDACTED] The sensitive circumstances, per the Attorney General's Guidelines, are as follows: Public Corruption; Intrusion into Government; Privileged Relationships; Safety; Felonious Activity by a UCE; Money Laundering in Excess of \$1,000,000; Third-Party Liability; Terrorism Enterprise Investigations; and Proprietaries.

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- I. The number of undercover investigative operations pending as of 09/30/2011, by program.

<b>Program</b>	<b>Pending UCOs</b>
Cyber Criminal Section (CyD)	65
Domestic Terrorism Strategic Operations Section (DT)	12
Financial Crimes Section (FCS)	35
Latin America Southwest Border Threat Section (LASWBT)	19
Transnational Organized Crime Threat Section (TOCTS)	31
Public Corruption/Civil Rights Section (PC/CRS)	41
Violent Criminal Threat Section (VCTS)	35
<b>Total</b>	<b>238</b>

- II. The number of undercover investigative operations initiated during the period of 10/01/2010 through 09/30/2011, by program.

<b>Program</b>	<b>UCOs Initiated</b>
CyD	12
DT	14
FCS	24
LASWBTS	19
TOCTS	24
PC/CRS	34
VCTS	37
<b>Total</b>	<b>164</b>

**III. The number of undercover investigative operations closed\* during the period of 10/01/2010 through 09/30/2011, by program.**

<b>Program</b>	<b>UCOs Closed</b>
CyD	8
DT	9
FCS	17
LASWBTS	5
TOCTS	6
PC/CRS	16
VCTS	9
<b>Total</b>	<b>70</b>

The statistical information listed above in tables I, II, and III reflect numbers tabulated for fiscal year 2011.

\*For the purposes of this report, a "closed" undercover investigative operation as defined in Public Law (PL) 102-395, paragraph 6, subsection (A), is as follows:

the earliest point in time at which -

- (i) all criminal proceedings (other than appeals) are concluded, or
- (ii) covert activities are concluded, whichever occurs later.

Per PL 102-395, paragraph 5, subsection (B)(iii), with respect to each such closed undercover operations, the results obtained.

The results for the 57 closed UCOs which did not have sensitive circumstances as defined in the Attorney General's Guidelines on FBI Undercover Operations:

- 68 Indictments
- 18 Informations
- 62 Complaints
- 83 Arrests
- 83 Convictions
- 83 Sentences
- 2 Fugitives

With respect to each such closed undercover operation which involves any of the sensitive circumstances specified in the Attorney General's Guidelines on FBI Undercover Operations, such report shall contain a detailed description of the operation and related matters, including information pertaining to-

- (i) the results,
- (ii) any civil claims, and
- (iii) identification of such sensitive circumstances involved, that arose at any time during the course of such undercover operation.

The attached report of the 13 closed UCOs which involved any of the sensitive circumstances specified in the Attorney General's Guidelines on FBI Undercover Operations includes the **Congressional Financial Report** prepared and provided by the Inspection Division's Audit Unit (INSD AU) as required by PL 102-395 paragraph 5, subsection A. PL 102-395 paragraph 5, subsection A states the FBI shall conduct a detailed financial audit of each undercover investigative operation closed during the fiscal year. For the purposes of the **Congressional Financial Report**, PL 102-395 paragraph 6, subsection C, defined the term "undercover investigative operation" and "undercover operation" as any undercover investigation of the FBI-

- (i) in which
  - (I) the gross receipts (excluding interest earned) exceed \$50,000 or
  - (II) expenditures (other than expenditures for salaries of employees) exceed \$150,000, and
- (ii) which is exempt from section 3302 or 9102 of title 31 of the United States Code.

**CASE SUMMARIES/FUNDING DETAILS**  
**CONGRESSIONAL FINANCIAL REPORT**

1.     Name:                 Silent Fury  
       Field Office:       Los Angeles  
       UCO Initiated:      07/31/2007  
       UCO Terminated:   07/24/2011

**Description detail(s):** The operation was established as an intelligence platform that targeted an extremist organization responsible for many criminal acts including arson, significant property damage, large-scale animal releases, and other crimes.

**A.     Results:**

- Twenty-five (25) Intelligence disseminations
- Two (2) identifications of FIS/Terrorist Front/Cover Organizations
- Five (5) FIS/Terrorist Techniques/Trade craft identified
- One (1) Participation in development of operational plan
- Seven (7) operationally controlled meetings
- Two (2) FCI/IT/DT cases converted to criminal investigations
- Five (5) Domestic/Foreign travel of investigative personnel
- Two (2) penetrate Group/Cell/FIS by source

**A1.    Congressional Financial Report:**

The accompanying Statement of Funding and Expenditures for the Silent Fury UCO was prepared for the purpose of complying with the United States Department of Justice Appropriation Authorization Act, Fiscal Year 2003, as enacted by Public Law 102-395. The financial information presented in these statements is a compilation of the financial information for the entire period of the UCO. Those statements were audited quarterly by the internal auditors within the Los Angeles Division.

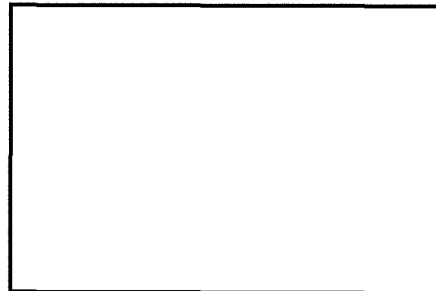
**STATEMENT OF FUNDING AND EXPENDITURES**

**Sources of Cash:**

Funds Provided by FBI  
Project Generated Income  
Interest Income  
Total Sources of Cash

**Operational Costs:**

Total Operational Costs  
Unused PGI Remitted to FBIHQ  
Total Operational Costs and Funds Remitted to FBIHQ



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**B.     Civil Claims:** None

**C.     Sensitive Circumstances:** Terrorism Enterprise Investigation.



2.     Name:                 Cookie Jar  
       Field Office:       Sacramento  
       UCO Initiated:     12/16/2008  
       UCO Terminated:  09/04/2011

**Description detail(s):** This UCO was established to gather incriminating evidence against various state legislators accepting bribes in exchange for performance of their official duties.

**A.     Results:**  
       None.

**A1.    Congressional Financial Report:**

The accompanying Statement of Funding and Expenditures for the Cookie Jar UCO was prepared for the purpose of complying with the United States Department of Justice Appropriation Authorization Act, Fiscal Year 2003, as enacted by Public Law 102-395. The financial information presented in these statements is a compilation of the financial information for the entire period of the UCO. Those statements were audited quarterly by the internal auditors within the Sacramento Division.

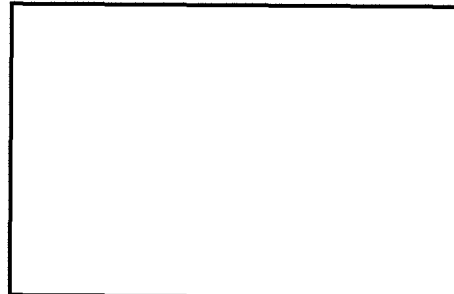
**STATEMENT OF FUNDING AND EXPENDITURES**

**Sources of Cash:**

Funds Provided by FBI  
Interest Income  
Total Sources of Cash

**Operational Costs:**

Total Operational Costs  
Interest Income Remitted  
Unused Direct Advance Funds Remitted to FBIHQ  
Total Operational Costs and Funds Remitted to FBIHQ



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**B.     Civil Claims:** None

**C.     Sensitive Circumstances:** Public Corruption

3.     Name:                 Judge Camp  
       Field Office:       Atlanta  
       Opened:            10/29/2010  
       UCO Terminated:  04/29/2011

**Description detail(s):**

This UCO was predicated upon source information. The information from the investigation revealed that a Judge was using his position illegally to supply individuals with information pertaining to pending court cases.

**A.    Results:**

- One (1) Indictment
- One (1) Arrest
- One (1) Conviction
- One (1) Sentencing

**A1.   Congressional Financial Report:**

This UCO had no expenditures and did not have any project generated income. Although the case was exempted from section 3302 of Title 31, this case did not qualify for a Congressional Financial Report due to it not exceeding \$150,000 in expenditures or \$50,000 in project generated income. This operation was audited quarterly by the internal auditors within the Atlanta Division.

**B.    Civil Claims:** None

**C.    Sensitive Circumstances:** Public Corruption



4. Name: [redacted]  
Field Office: Baltimore  
Opened: [redacted]  
UCO Terminated: [redacted]

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**Description detail(s):**

This UCO was initiated at the request of [redacted]

[redacted]  
[redacted] The investigation was initially opened as [redacted]  
[redacted] and was converted to [redacted]  
[redacted]

**A. Results:**

[redacted]

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**A1. Congressional Financial Report:**

The [redacted] UCO totaled [redacted] in expenditures and did not have any project generated income. Although the case was exempted from section 3302 of Title 31, this case did not qualify for a Congressional Financial Report due to it not exceeding \$150,000 in expenditures or \$50,000 in project generated income. This operation was audited quarterly by the internal auditors within the Baltimore Division.

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**B. Civil Claims: None**

**C. Sensitive Circumstances:** [redacted]

5.     Name:                 Deep Woods  
       Field Office:       Detroit  
       Opened:            07/14/2010  
       UCO Terminated:  08/18/2011

**Description detail(s):**

This UCO was initiated to learn and investigate extremist groups utilizing public land for paramilitary training.

**A.     Results:**  
       None.

**A1.    Congressional Financial Report:**

The Deep Woods UCO totaled [REDACTED] in expenditures and did not have any project generated income. Although the case was exempted from section 3302 of Title 31, this case did not qualify for a Congressional Financial Report due to it not exceeding \$150,000 in expenditures or \$50,000 in project generated income. This operation was audited quarterly by the internal auditors within the Detroit Division.

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**B.     Civil Claims: None**

**C.     Sensitive Circumstances: Safety**

6. Name: [redacted]  
Field Office: Denver  
Opened: [redacted]  
UCO Terminated: [redacted]

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**Description detail(s):**

This UCO was initiated based on allegations that [redacted]  
[redacted]

**A. Results:**

None.

**A1. Congressional Financial Report:**

The [redacted] UCO totaled [redacted] in expenditures and did not have any project generated income. Although the case was exempted from section 3302 of Title 31, this case did not qualify for a Congressional Financial Report due to it not exceeding \$150,000 in expenditures or \$50,000 in project generated income. This operation was audited quarterly by the internal auditors within the Denver Division.

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**B. Civil Claims:** None

**C. Sensitive Circumstances:** [redacted]

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7. Name: [redacted]  
Field Office: Los Angeles  
Opened: [redacted]  
UCO Terminated: [redacted]

**Description detail(s):**

This UCO targeted [redacted]  
[redacted]

b7E

**A. Results:**

None.

**A1. Congressional Financial Report:**

The [redacted] UCO totaled [redacted] in expenditures and did not have any project generated income. Although the case was exempted from section 3302 of Title 31, this case did not qualify for a Congressional Financial Report due to it not exceeding \$150,000 in expenditures or \$50,000 in project generated income. This operation was audited quarterly by the internal auditors within the Los Angeles Division.

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**B. Civil Claims: None**

**C. Sensitive Circumstances:** [redacted]

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8. Name: [redacted]  
Field Office: New York  
Opened: [redacted]  
UCO Terminated: [redacted]

**Description detail(s):**

This UCO targeted [redacted]  
[redacted]

b7A

**A. Results:**

[redacted]

**A1. Congressional Financial Report:**

The [redacted] UCO [redacted] in expenditures and did not have any project generated income. Although the case was exempted from section 3302 of Title 31, this case did not qualify for a Congressional Financial Report due to it not exceeding \$150,000 in expenditures or \$50,000 in project generated income. This operation was audited quarterly by the internal auditors within the New York Division.

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**B. Civil Claims:** None

**C. Sensitive Circumstances:** [redacted]

9. Name: Wasted Energy  
Field Office: San Diego  
Opened: 03/22/2010  
UCO Terminated: 04/19/2011

**Description detail(s):**

This UCO targeted systemic corruption within the County of San Diego.

**A. Results:**  
None.

**A1. Congressional Financial Report:**

The Wasted Energy UCO totaled [REDACTED] in expenditures and did not have any project generated income. Although the case was exempted from section 3302 of Title 31, this case did not qualify for a Congressional Financial Report due to it not exceeding \$150,000 in expenditures or \$50,000 in project generated income. This operation was audited quarterly by the internal auditors within the San Diego Division.

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**B. Civil Claims:** None

**C. Sensitive Circumstances:** Public Corruption

10. Name: [redacted]  
Field Office: St. Louis  
Opened: 11/20/2006  
UCO Terminated: 12/24/2008

**Description detail(s):**

This UCO targeted a subject believed to be [redacted]  
[redacted]

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**A. Results:**

- One (1) Information
- One (1) Arrest
- One (1) Conviction
- One (1) Sentencing

**A1. Congressional Financial Report:**

The [redacted] UCO totaled [redacted] in expenditures and [redacted] in project generated income. Although the case was exempted from section 3302 of Title 31, this case did not qualify for a Congressional Financial Report due to it not exceeding \$150,000 in expenditures or \$50,000 in project generated income. This operation was audited quarterly by the internal auditors within the St. Louis Division.

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**B. Civil Claims: None**

**C. Sensitive Circumstances:** [redacted]

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11. Name: [redacted]  
Field Office: San Juan  
Opened: [redacted]  
UCO Terminated: [redacted]

**Description detail(s):**

This UCO targeted [redacted]  
[redacted]

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**A. Results:**  
None.

**A1. Congressional Financial Report:**

The [redacted] UCO totaled [redacted] in expenditures and did not have any project generated income. Although the case was exempted from section 3302 of Title 31, this case did not qualify for a Congressional Financial Report due to it not exceeding \$150,000 in expenditures or \$50,000 in project generated income. This operation was audited quarterly by the internal auditors within the San Juan Division.

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**B. Civil Claims:** None

**C. Sensitive Circumstances:** [redacted]



12.    Name:                    Vanilla Bean  
       Field Office:        Washington Field  
       Opened:              08/22/2009  
       UCO Terminated:   08/18/2011

**Description detail(s):**

This UCO was initiated to investigate and disrupt criminal activity associated with predicated subjects of an extremist group.

**A.    Results:**  
       None.

**A1.   Congressional Financial Report:**

The Vanilla Bean UCO [redacted] in expenditures and did not have any project generated income. Although the case was exempted from section 3302 of Title 31, this case did not qualify for a Congressional Financial Report due to it not exceeding \$150,000 in expenditures or \$50,000 in project generated income. This operation was audited quarterly by the internal auditors within the Washington Field Division.

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**B.    Civil Claims: None**

**C.    Sensitive Circumstances: Terrorism Enterprise Investigation**

13.     Name:                 Faux Hawk  
       Field Office:       Washington Field  
       Opened:            03/09/2011  
       UCO Terminated:   03/12/2011

**Description detail(s):**

This UCO targeted subjects that were involved in multiple armed robberies throughout the Washington, DC area.

**A.     Results:**  
       None.

**A1.    Congressional Financial Report:**

The Faux Hawk UCO had no expenditures and did not have any project generated income. Although the case was exempted from section 3302 of Title 31, this case did not qualify for a Congressional Financial Report due to it not exceeding \$150,000 in expenditures or \$50,000 in project generated income. This operation was audited quarterly by the internal auditors within the Washington Field Division.

**B.     Civil Claims: None**

**C.     Sensitive Circumstances: Felonious UCE Activity, Safety**

June 11, 2012

The Honorable Lamar Smith  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

Pursuant to Public Law 102-395, Section 102(b)(5)(B), enclosed are copies of reports on FBI undercover activity for fiscal years 2010 and 2011. As required by statute, the reports contain the number, by program, of undercover investigative operations pending at the end of each fiscal year, the number of undercover investigative operations initiated during the fiscal year, and the number of undercover operations closed during the fiscal year. Descriptions are provided of those closed operations which involve any of the sensitive circumstances specified in the Attorney General's Guidelines on FBI Undercover Operations.

As set forth above, these reports contain sensitive information concerning FBI investigative activities. They are provided in furtherance of the Committee's oversight responsibilities. Information contained within should not be further disseminated without consultation with the FBI.

We appreciate the Committee's continued support of the FBI and its mission. Should you have questions concerning this or other matters, please contact the FBI's Office of Congressional Affairs at [REDACTED]

b7E

Sincerely,

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Dep. Director \_\_\_\_\_  
EAD-Adm. \_\_\_\_\_  
EAD-CT/CI \_\_\_\_\_  
EAD-Crim. \_\_\_\_\_  
EAD-Intell. \_\_\_\_\_  
EAD-LES \_\_\_\_\_  
Asst. Dir.: \_\_\_\_\_

Enclosures

Adm. Serv. \_\_\_\_\_  
CHS \_\_\_\_\_  
Crim. Inv. \_\_\_\_\_  
Crim. Inv. \_\_\_\_\_  
Cyber \_\_\_\_\_  
Finance \_\_\_\_\_  
Info. Res. \_\_\_\_\_  
Inspection \_\_\_\_\_  
Inv. Tech. \_\_\_\_\_  
Laboratory \_\_\_\_\_  
Off. of Cong. Affs. \_\_\_\_\_  
Off. of the Gen. \_\_\_\_\_  
Coun. \_\_\_\_\_  
Off. of Intell. \_\_\_\_\_  
Off. Pub. Affs. \_\_\_\_\_  
Off. of Prof. Resp. \_\_\_\_\_  
Rec. Mgmt. \_\_\_\_\_  
Security \_\_\_\_\_  
Training \_\_\_\_\_  
Off. of EEOA \_\_\_\_\_

1 - The Honorable John Conyers, Jr.

Ranking Member

Committee on the Judiciary

U.S. House of Representatives

Washington, DC 20515

1 - The Honorable Charles E. Grassley

Ranking Member

Committee on the Judiciary

United States Senate

Washington, DC 20510

1 - Ms. Parlave, Room 3012

1 - FBI ExecSec, Room 6147

1 - AD Kelly

1 - [REDACTED]

1 - The Honorable Patrick J. Leahy

Chairman

Committee on the Judiciary

United States Senate

Washington, DC 20510

1 - OCA Member's Folder

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U.S. Department of Justice

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Federal Bureau of Investigation

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Washington, D.C. 20535

July 17, 2012

The Honorable Lamar Smith  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

In response to the Ft. Hood shootings on November 5, 2009, Director Mueller asked Judge William H. Webster to conduct an independent review of the FBI's actions and make recommendations to improve the FBI's ability to detect and prevent such threats in the future. Judge Webster has formally delivered the classified report of his findings and recommendation to Director Mueller.

Enclosed is a copy of the Final Report of the William H. Webster Commission on the Federal Bureau of Investigation, Counterterrorism Intelligence and the Events at Fort Hood Texas, on November 5, 2009. This report is provided to the Committee in furtherance of its oversight responsibilities. The Webster Commission makes eighteen recommendations that encompass FBI policy and operations, information technology, and training. We already have implemented, or are in the process of implementing, actions responsive to each of the eighteen recommendations. We welcome the opportunity to brief the Committee concerning our ongoing efforts.

We appreciate the Committee's continued support of the FBI and its mission. If you have further questions, please contact the Office of Congressional Affairs at

[redacted]

b7E

Sincerely,

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Enclosure

1 - The Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

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July 17, 2012

The Honorable Lamar Smith  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

In response to the Ft. Hood shootings on November 5, 2009, Director Mueller asked Judge William H. Webster to conduct an independent review of the FBI's actions and make recommendations to improve the FBI's ability to detect and prevent such threats in the future. Judge Webster has formally delivered the classified report of his findings and recommendation to Director Mueller.

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We appreciate the Committee's continued support of the FBI and its mission. If you have further questions, please contact the Office of Congressional Affairs at [redacted]

b7E

Sincerely,

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Dep. Director \_\_\_\_\_  
EAD-Adm. \_\_\_\_\_  
EAD-CT/CI \_\_\_\_\_  
EAD-Crim. \_\_\_\_\_  
EAD-Intell. \_\_\_\_\_  
EAD-LES \_\_\_\_\_  
Asst. Dir.: \_\_\_\_\_  
Adm. Serv. \_\_\_\_\_  
CJIS \_\_\_\_\_  
Crim. Inv. \_\_\_\_\_  
Cyber \_\_\_\_\_  
Finance \_\_\_\_\_  
Info. Res. \_\_\_\_\_  
Inspection \_\_\_\_\_  
Inv. Tech. \_\_\_\_\_  
Laboratory \_\_\_\_\_  
Off. of Cong. Affs. \_\_\_\_\_  
Off. of the Gen. Coun. \_\_\_\_\_  
Off. of Intell. \_\_\_\_\_  
Off. of Pub. Affs. \_\_\_\_\_  
Off. of Prof. Resp. \_\_\_\_\_  
Rec. Mgmt. \_\_\_\_\_  
Security \_\_\_\_\_  
Training \_\_\_\_\_  
Off. of EEOA \_\_\_\_\_

Enclosure

1 - The Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515  
1 - FBI ExecSec, Room 6147  
1 - OCA Member's Folder

1 - AD Kelly

1 - [redacted]

MAIL ROOM ☐

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## Federal Bureau of Investigation

Washington, D.C. 20535

July 19, 2012

The Honorable Lamar Smith  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

On July 17, 2012, we provided the Committee with a copy of the Final Report of the William H. Webster Commission on the Federal Bureau of Investigation, Counterterrorism Intelligence and the Events at Fort Hood Texas, on November 5, 2009. As a result of further consultation with the Webster Commission in preparation of an unclassified version of the report, we identified an error in the original version of the report. Enclosed is a copy of corrected page 62 of the report. Please substitute this page and destroy any copies of the incorrect page.

We appreciate the Committee's continued support of the FBI and its mission and regret this inconvenience. If you have further questions, please contact the Office of Congressional Affairs at [redacted]

b7E

Sincerely,

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Enclosure

1 - The Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

~~SECRET//NOFORN~~ [redacted] (S)

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July 19, 2012

The Honorable Lamar Smith  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

On July 17, 2012, we provided the Committee with a copy of the Final Report of the William H. Webster Commission on the Federal Bureau of Investigation, Counterterrorism Intelligence and the Events at Fort Hood Texas, on November 5, 2009. As a result of further consultation with the Webster Commission in preparation of an unclassified version of the report, we identified an error in the original version of the report. Enclosed is a copy of corrected page 62 of the report. Please substitute this page and destroy any copies of the incorrect page.

We appreciate the Committee's continued support of the FBI and its mission and regret this inconvenience. If you have further questions, please contact the Office of Congressional Affairs at [redacted]

b7E

Sincerely,

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Dep. Director \_\_\_\_\_  
EAD-Adm. \_\_\_\_\_  
EAD-CT/CI \_\_\_\_\_  
EAD-Crim \_\_\_\_\_  
EAD-Intell. \_\_\_\_\_  
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Asst. Dir.: \_\_\_\_\_  
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Off. Pub. Affs. \_\_\_\_\_  
Off. of Prof. Resp. \_\_\_\_\_  
Rec. Mgnt. \_\_\_\_\_  
Security \_\_\_\_\_  
Training \_\_\_\_\_  
Off. of EBOA \_\_\_\_\_

Enclosure

1 - The Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515  
1 - FBI ExecSec, Room 6147  
1 - OCA Member's Folder

1 - AD Kelly

1 - [redacted]

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MAIL ROOM ☐

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UNCLASSIFIED WHEN SEPARATED FROM CLASSIFIED ENCLOSURE

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**U.S. Department of Justice**

**Federal Bureau of Investigation**

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*Washington, D.C. 20535*

July 19, 2013

Honorable Zoe Lofgren  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Honorable Ted Poe  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Representatives Lofgren and Poe:

This is in response to your letter to the FBI dated July 1, 2013, seeking information concerning the FBI's use of unmanned aerial vehicles (UAVs) for surveillance purposes.

The FBI uses UAVs in very limited circumstances to conduct surveillance when there is a specific, operational need. UAVs have been used for surveillance to support missions related to kidnappings, search and rescue operations, drug interdictions, and fugitive investigations. Since late 2006, the FBI has conducted surveillance using UAVs in eight criminal cases and two national security cases.<sup>1</sup> For example, earlier this year in Alabama, the FBI used UAV surveillance to support the successful rescue of the 5-year-old child who was being held hostage in an underground bunker by Jimmy Lee Dykes. None of the UAVs used by the FBI are armed with either lethal or non-lethal weapons, and the FBI has no plans to use weapons with UAVs. The FBI does not use UAVs to conduct "bulk" surveillance or to conduct general surveillance not related to an investigation or assessment.

The FBI only conducts UAV surveillance consistent with our rules and regulation for conducting aerial surveillance in our investigations, as well as specific rules and regulations applicable to the use of UAVs for surveillance. Specifically, the FBI's use of UAVs for surveillance is governed by laws and policies including the Fourth Amendment of the United States Constitution, the Privacy Act, Federal Aviation Administration (FAA) rules and regulations, the Attorney General Guidelines for Domestic FBI Operations, the FBI's Domestic Investigations and Operations Guide (DIOG), and the FBI's 2011 Bureau Aviation Regulations Manual, which has specific policies for the use

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<sup>1</sup> The FBI authorized UAVs for surveillance in three other criminal cases, but they were not actually used.



Honorable Joe Lofgren and Honorable Ted Poe

of UAVs for aerial surveillance. For example, the FBI must obtain a Certificate of Authorization from the FAA prior to using UAVs for surveillance, and comply with the FAA's guidelines on the use of UAVs in the national airspace (this includes significant limits on the area and altitude where UAVs can be operated). *See* FAA Interim Operational Approval Guidance, UAS Policy 05-01, "Unmanned Aircraft Systems: Operations in the U.S. National Airspace System" (2008).

In addition, every request to use UAVs for surveillance is reviewed by FBI legal counsel to ensure there are not potential Fourth Amendment or privacy concerns implicated by the proposed use of UAVs. Every request to use UAVs for surveillance must be approved by senior FBI management at FBI Headquarters and in the relevant FBI Field Office. Without a warrant, the FBI will not use UAVs to acquire information in which individuals have a reasonable expectation of privacy under the Fourth Amendment. To date, there has been no need for the FBI to seek a search warrant or judicial order in any of the few cases where UAVs have been used.

While we share your interest in transparency concerning the use of law enforcement and national security tools, we are not in a position to disclose publicly more detailed information concerning the Bureau's specific use of UAVs. Such additional information is "Law Enforcement Sensitive" or, in some cases, classified, based on the need to protect the effectiveness of this capability in law enforcement and national security matters. We have enclosed a classified addendum that provides more detailed information in response to your inquiry. We request that you not disseminate the information in the addendum without prior consultation with the FBI.

We appreciate your interest in this issue and trust this information is responsive to your inquiry. If you have additional questions concerning this or other matters, please contact the Office of Congressional Affairs at

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Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Enclosure

July 19, 2013

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1 - FBI ExecSec, Room 6147 (TRIM # 13/DO/2505)

AD Kelly

1 - OCA Member's Folder

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Office of Congressional Affairs

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**U.S. Department of Justice**

**Federal Bureau of Investigation**

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*Washington, D.C. 20535*

June 5, 2013

Honorable Robert W. Goodlatte  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20535

Honorable F. James Sensenbrenner, Jr.  
Chairman  
Subcommittee on Crime, Terrorism, Homeland Security and Investigations  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20535

Dear Chairman Goodlatte, and Chairman Sensenbrenner:

I am writing in response to your letter dated April 9, 2013, requesting information on the preparatory steps the Federal Bureau of Investigation (FBI) employed in the year prior to Sequestration. Because Sequestration enacted across-the-board cuts, the FBI must do less in all its programs, ranging from national security – terrorism, cyber attacks, and foreign counterintelligence operations -- to significant, high-impact criminal activity, such as public corruption and financial, violent, and organized crimes. Sequestration has had and will continue to have a profound impact on the FBI.

To absorb the personnel funding reductions under Sequestration, the FBI has implemented a hiring freeze that will result in over 2,200 vacant positions by the end of Fiscal Year (FY) 2013: 350 Special Agents, 275 Intelligence Analysts (IA), and 1,575 professional staff employees, including forensic and computer scientists, electronic engineers and technicians, contracting officers, police officers, and victim specialists. To put this number of vacancies in perspective, it is the equivalent of shutting down three of the FBI's largest field offices – Chicago, Miami, and Baltimore. In addition, this hiring freeze will have lasting effects beyond the immediate loss of new employees because extensive background checks, Top Secret security clearances, and other requirements will prevent the FBI from immediately hiring new personnel at the conclusion of the freeze.

Given these projected resource constraints, certain steps were taken to position the FBI to be as effective as possible in combating growing and sophisticated threats from cyber attacks, foreign intelligence, and national and transnational criminal activities. Without selective hiring, temporary duty assignments, and the relocation program outlined below, the FBI could not have continued to perform its public safety mission.

### Hiring (Questions 1, 2, and 3)

1. Between February 1, 2012 and February 28, 2013, how many positions did the FBI advertise as vacant? Please break down the number of vacancy announcements issues per month.
2. Between February 1, 2012 and February 28, 2013, how many positions did the FBI fill? Please break down the number of position filled per month. Please indicate how many position filled were for Special Agents and how many were for other positions.
3. What is the cost of providing orientation to a newly hired employee? What does this orientation entail?

Even with the passage of the Budget Control Act and looming across-the-board spending cuts, the FBI continued to hire those individuals with essential, critical skill sets to ensure that it could meet its obligation to protect the country from threats, both foreign and domestic. As the Director has testified in the past, the FBI's most critical asset is its employees. The FBI could not afford to simply cease all hiring as part of its plan to achieve Sequestration reductions. With current vacancies and continued annual attrition of approximately 1,350 employees (roughly 400 Special Agents, 150 IAs, and 800 professional staff employees), the FBI must maintain fill-rates sufficient to sustain its investigative and intelligence capacity.

The United States continues to face on-going terrorism threats not only from al Qaeda, but also its affiliates and homegrown extremists. Terrorist threats, espionage, computer intrusions, violent crime, corruption along the Southwest Border, and other traditional crimes require time-intensive investigations involving extensive Special Agent and IA resources. As seen in many high profile national security and criminal investigations, successful outcomes are often only achievable with the efforts of hundreds of FBI personnel dedicated to each case. In many instances, the FBI simultaneously operates multiple large-scale investigations. Over the last 12 years, the FBI has transformed into a national security agency; however, in order to sustain this transformation, the FBI must be able to fill all of its positions to meet the complex threats the United States faces today and in the future.

Maintaining a strong Special Agent and IA workforce alone is insufficient to address the national security and criminal threats facing the United States. Professional staff employees play an integral role in FBI investigations and intelligence efforts. For instance,

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The information is then disseminated to the FBI's intelligence and investigative cadre, including Staff Operations Specialists, who guide, coordinate, and support intelligence collection and investigations

with Special Agents and IAs. Each of these highly trained and skilled professional staff positions affect a case's outcome and are essential to FBI operations.

The FBI requires that all candidates must successfully obtain a Top Secret clearance prior to employment. This standard, while absolutely necessary to the success of the FBI, results in a background process that is longer than most government agencies and entails personnel security interviews, drug testing, polygraphs, and in-depth background investigations. In addition, Special Agent candidates must undergo multiple assessments in order to be hired, including a cognitive assessment, a panel interview, and a physical fitness test. In response to your question, the chart below displays the number of monthly vacancy announcements between February 1, 2012 and February 28, 2013.

Vacancy Announcements February 1, 2012 - February 28, 2013	
Month	Postings
February 2012	80
March 2012	107
April 2012	68
May 2012	73
June 2012	79
July 2012	84
August 2012	69
September 2012	52
October 2012	67
November 2012	68
December 2012	52
January 2013	63
February 2013	60
Total	922

The FBI typically receives over 200,000 Special Agent, IA and Professional Staff applications each year. One vacancy announcement can yield up to thousands of applicants to be considered for several vacancies. For example, in FY 2012, the FBI posted only two Special Agent vacancy announcements, one in May and another in August resulting in 4,009 and 9,727 applicants respectively. These two vacancy announcements created a pool of Special Agent applicants that can be used to fill hundreds of positions. Therefore, as a result of the number of applicants the FBI receives and its hiring practices, there is not a direct correlation between the number of vacancy announcements displayed above and the following chart showing the number of hires during the same time period.

<b>Positions Filled February 1, 2012 - February 28, 2013</b>			
<b>Month</b>	<b>Special Agent</b>	<b>Non-Agent</b>	<b>Total</b>
February 2012	60	122	182
March 2012	63	99	162
April 2012	30	64	94
May 2012	47	82	129
June 2012	45	108	153
July 2012	42	87	129
August 2012	69	126	195
September 2012	29	254	283
October 2012	28	21	49
November 2012	29	59	88
December 2012	0	99	99
January 2013	0	0	0
February 2013	78	192	270
<b>Total</b>	<b>520</b>	<b>1,313</b>	<b>1,833</b>

Once hired, the FBI provides a standardized program that encompasses the new employee's first year of employment. As a result, new employees begin their careers with greater knowledge of and pride in their new organization, and a built-in support system, which better equips them to proactively engage in assuming leadership roles earlier in their careers.

This program, titled the On-boarding New Employees (ONE) Program, consists of two phases. The first phase includes a four-day in-residence seminar for all new employees at an average cost of \$932 per employee. New employees learn about the FBI organization, develop a network of resources, and focus on what leadership in the FBI means. The second phase, referred to as the ONE Representative and Sponsor Program, begins immediately following the four-day seminar and continues throughout the first year of employment. It includes three components: a web-based, self-directed ONE Guide that serves as a roadmap for success; the assignment of a sponsor for new professional staff employees; and the establishment of collaborative websites for each new class and for ONE representatives and sponsors.

The most important benefits of the ONE Program cannot be measured—that is the invaluable impact on tomorrow's FBI. Looking back over more than 100 years of FBI history, it is clear that the FBI rose to every challenge because of the dedication and competence of its employees and the quality of its leaders. As we look to the future, we recognize that our employees will be responsible for rising to many new and unprecedented challenges, some of which will be unforeseen and all of which will be complex. In order to prepare for any and all future challenges, we must invest now in developing the employees who will one day lead the FBI. The long-term success of the FBI depends on it. And by extension, so does the safety of our communities and the security of our country. The ONE Program is the cornerstone of this effort.

#### Temporary Duty (TDY) Assignments and Relocation Bonuses (Questions 4, 5, 6 and 7)

4. Between February 1, 2012 and February 28, 2013, how many employees at the FBI Headquarters in Washington, D.C. were on "temporary duty" (TDY)? How many of these employees were on TDY status for more than three months? How many TDY employees received temporary promotions for more than 12 months during their TDY service?
5. Excluding base pay and benefits, please detail all other compensation, benefits, and allowances that an FBI employee on TDY status receives, including per diem and actual expense reimbursements.
6. Between February 1, 2012 and February 28, 2013, how much money did the FBI spend on TDY compensation discussed in question 5 for employees on TDY at the FBI Headquarters in Washington D.C.?
7. Between February 1, 2012 and February 28, 2013, how many employees at FBI Headquarters in Washington, D.C. were given bonuses for agreeing to be removed from TDY status? How much was the average bonus, and how much money was paid overall?

Since September 11, 2001, as the FBI transformed to a threat-driven organization, the FBI has increased Headquarters' role in managing and overseeing operational programs from cyber-intrusion to counterterrorism operations and investigations. Creating this structure required significant expertise and resources, some of which were dispersed across all 56 field offices. Therefore, in order to have adequate numbers of employees with the right skills, abilities, and experience to effectively fulfill its mission, the FBI placed field employees on temporary duty assignments and created the Headquarters Staffing Initiative (HSI) to ensure mission-critical Headquarters positions were filled and to develop needed skills and perspectives in FBI employees that will one day lead the organization.

From February 1, 2012 through February 28, 2013, the FBI had, on average   Special Agents deployed on HSI TDY assignments to fill critical gaps at Headquarters. Based on the mission, impact, knowledge required, and complexity of work, all of the participants in the HSI program received temporary promotions during this time period. The standard length of the TDY for Special Agents in the HSI program is 18 months.

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The FBI strictly follows GSA's Federal Travel Regulation in regards to TDY reimbursement expenses and GSA's assigned Washington, D.C. area locality caps. Maximum TDY expenses reimbursed by the FBI are shown in the chart below, as well as reduced reimbursement levels for longer-term TDY assignments.

Monthly TDY Allowances ("Up To" Amount; 30 day month)			
Expenses	Maximum Monthly Allowance	TDY > 30 days	TDY > 90 days and all Agents
Lodging	\$3,205.04	\$2,403.78	\$1,602.52
Meals and Incidental Expenses	\$1,597.50	\$1,198.13	\$798.90
Coin Laundry/Dry Cleaning	\$75.00	\$75.00	\$75.00
Daily Commuting	\$495.00	\$495.00	\$495.00
Lodging Taxes	Actual Expenses	Actual Expenses	Actual Expenses
Monthly Home Trip (Average)	\$1,000	\$1,000	\$1,000



After employees are on a TDY assignment for more than 30 days, they receive only 75 percent of the allowance for lodging and meals and incidental expenses and 50 percent of these allowances after 90 days. Due to the length of the HSI program, Special Agents only receive 50 percent of the allowances from the start of their TDY assignment. In total, the FBI spent an estimated \$26.2 million on TDY expenses for the HSI program from February 1, 2012, through February 28, 2013.

This strategic program is the most cost-effective, operationally non-disruptive option for bringing critically skilled Special Agents to Headquarters. On average, an HSI TDY costs less than a permanent transfer to Headquarters. Since 2007, the HSI program has saved the FBI approximately \$68.1 million over full-cost transfers. Furthermore, the HSI program benefits the FBI in three additional ways: 1) turnover of Special Agents allows for a productive exchange of information between Headquarters and the field offices; 2) the set 18-month TDY time period enables executives to effectively plan for turnover; and 3) the HSI option decreases the time Headquarters positions are left vacant. Since inception, the majority of HSI TDY participants have reported to mission-critical divisions, with the Counterterrorism Division receiving the largest number of participants.

Between February 1, 2012, and February 28, 2013, the FBI had ☐ employees participating in the HSI program convert to full-time Headquarters employees. These employees all received relocation incentives averaging \$28,656, totaling \$2,607,718 in relocation incentives paid during this time period.

b7E

We appreciate your continued support of the FBI's mission and your interest in this issue. If you have additional questions about this matter or any other, please contact our office at

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b7E

Sincerely,



Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

1 - Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20535

1 - Honorable Robert C. Scott  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20535

June 5, 2013

Honorable Robert W. Goodlatte  
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U.S. House of Representatives  
Washington, DC 20535

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To absorb the personnel funding reductions under Sequestration, the FBI has implemented a hiring freeze that will result in over 2,200 vacant positions by the end of Fiscal Year (FY) 2013: 350 Special Agents, 275 Intelligence Analysts (IA), and 1,575 professional staff employees, including forensic and computer scientists, electronic engineers and technicians, contracting officers, police officers, and victim specialists. To put this number of vacancies in perspective, it is the equivalent of shutting down three of the FBI's largest field offices – Chicago, Miami, and Baltimore. In addition, this hiring freeze will have lasting effects beyond the immediate loss of new employees because extensive background checks, Top Secret security clearances, and other requirements will prevent the FBI from immediately hiring new personnel at the conclusion of the freeze.

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FBI ExecSec, Room 6147 (TRIM # 13/DO/1243)

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OCA Member's Folder

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Once hired, the FBI provides a standardized program that encompasses the new employee's first year of employment. As a result, new employees begin their careers with greater knowledge of and pride in their new organization, and a built-in support system, which better equips them to proactively engage in assuming leadership roles earlier in their careers.

This program, titled the On-boarding New Employees (ONE) Program, consists of two phases. The first phase includes a four-day in-residence seminar for all new employees at an average cost of \$932 per employee. New employees learn about the FBI organization, develop a network of resources, and focus on what leadership in the FBI means. The second phase, referred to as the ONE Representative and Sponsor Program, begins immediately following the four-day seminar and continues throughout the first year of employment. It includes three components: a web-based, self-directed ONE Guide that serves as a roadmap for success; the assignment of a sponsor for new professional staff employees; and the establishment of collaborative websites for each new class and for ONE representatives and sponsors.

The most important benefits of the ONE Program cannot be measured—that is the invaluable impact on tomorrow's FBI. Looking back over more than 100 years of FBI history, it is clear that the FBI rose to every challenge because of the dedication and competence of its employees and the quality of its leaders. As we look to the future, we recognize that our employees will be responsible for rising to many new and unprecedented challenges, some of which will be unforeseen and all of which will be complex. In order to prepare for any and all future challenges, we must invest now in developing the employees who will one day lead the FBI. The long-term success of the FBI depends on it. And by extension, so does the safety of our communities and the security of our country. The ONE Program is the cornerstone of this effort.

**Temporary Duty (TDY) Assignments and Relocation Bonuses (Questions 4, 5, 6 and 7)**

4. Between February 1, 2012 and February 28, 2013, how many employees at the FBI Headquarters in Washington, D.C. were on "temporary duty" (TDY)? How many of these employees were on TDY status for more than three months? How many TDY employees received temporary promotions for more than 12 months during their TDY service?
5. Excluding base pay and benefits, please detail all other compensation, benefits, and allowances that an FBI employee on TDY status receives, including per diem and actual expense reimbursements.
6. Between February 1, 2012 and February 28, 2013, how much money did the FBI spend on TDY compensation discussed in question 5 for employees on TDY at the FBI Headquarters in Washington D.C.?
7. Between February 1, 2012 and February 28, 2013, how many employees at FBI Headquarters in Washington, D.C. were given bonuses for agreeing to be removed from TDY status? How much was the average bonus, and how much money was paid overall?

Since September 11, 2001, as the FBI transformed to a threat-driven organization, the FBI has increased Headquarters' role in managing and overseeing operational programs from cyber-intrusion to counterterrorism operations and investigations. Creating this structure required significant expertise and resources, some of which were dispersed across all 56 field offices. Therefore, in order to have adequate numbers of employees with the right skills, abilities, and experience to effectively fulfill its mission, the FBI placed field employees on temporary duty assignments and created the Headquarters Staffing Initiative (HSI) to ensure mission-critical Headquarters positions were filled and to develop needed skills and perspectives in FBI employees that will one day lead the organization.

From February 1, 2012 through February 28, 2013, the FBI had, on average [redacted] Special Agents deployed on HSI TDY assignments to fill critical gaps at Headquarters. Based on the mission, impact, knowledge required, and complexity of work, all of the participants in the HSI program received temporary promotions during this time period. The standard length of the TDY for Special Agents in the HSI program is 18 months.

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The FBI strictly follows GSA's Federal Travel Regulation in regards to TDY reimbursement expenses and GSA's assigned Washington, D.C. area locality caps. Maximum TDY expenses reimbursed by the FBI are shown in the chart below, as well as reduced reimbursement levels for longer-term TDY assignments.

Lodging	\$3,205.04	\$2,403.78	\$1,602.52
Meals and Incidental Expenses	\$1,597.50	\$1,198.13	\$798.90
Coin Laundry/Dry Cleaning	\$75.00	\$75.00	\$75.00
Daily Commuting	\$495.00	\$495.00	\$495.00
Lodging Taxes	Actual Expenses	Actual Expenses	Actual Expenses
Monthly Home Trip (Average)	\$1,000	\$1,000	\$1,000

After employees are on a TDY assignment for more than 30 days, they receive only 75 percent of the allowance for lodging and meals and incidental expenses and 50 percent of these allowances after 90 days. Due to the length of the HSI program, Special Agents only receive 50 percent of the allowances from the start of their TDY assignment. In total, the FBI spent an estimated \$26.2 million on TDY expenses for the HSI program from February 1, 2012, through February 28, 2013.

This strategic program is the most cost-effective, operationally non-disruptive option for bringing critically skilled Special Agents to Headquarters. On average, an HSI TDY costs less than a permanent transfer to Headquarters. Since 2007, the HSI program has saved the FBI approximately \$68.1 million over full-cost transfers. Furthermore, the HSI program benefits the FBI in three additional ways: 1) turnover of Special Agents allows for a productive exchange of information between Headquarters and the field offices; 2) the set 18-month TDY time period enables executives to effectively plan for turnover; and 3) the HSI option decreases the time Headquarters positions are left vacant. Since inception, the majority of HSI TDY participants have reported to mission-critical divisions, with the Counterterrorism Division receiving the largest number of participants.

Between February 1, 2012, and February 28, 2013, the FBI had [ ] employees participating in the HSI program convert to full-time Headquarters employees. These employees all received relocation incentives averaging \$28,656, totaling \$2,607,718 in relocation incentives paid during this time period.

b7E

We appreciate your continued support of the FBI's mission and your interest in this issue. If you have additional questions about this matter or any other, please contact our office at

[ ]

b7E

Sincerely,

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

1 - Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20535

1 - Honorable Robert C. Scott  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20535



U.S. Department of Justice

Federal Bureau of Investigation

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Washington, D.C. 20535

December 31, 2013

Honorable Darrell Issa  
Chairman  
House Committee on Oversight  
and Government Reform  
U. S. House of Representatives  
Washington, DC 20515

Honorable Jim Jordan  
Chairman  
Subcommittee on Economic Growth,  
Job Creation and Regulatory Affairs  
House Committee on Oversight  
and Government Reform  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Issa and Chairman Jordan:

This is in response to your December 2, 2013 letter related to the Committee's requests for "[a]ll documents and communications" concerning the FBI's ongoing investigation into the alleged IRS targeting of tax-exempt groups. Your December 2nd letter also requested information about the FBI's contacts with [REDACTED] and additional information related to our prior responses to certain Committee requests. This letter shall discuss each request in turn.

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b7C

1. Requests for "All Documents and Communications" Relating to the Ongoing Criminal Investigation into Alleged IRS Targeting of Tax Exempt Groups

In your letters dated December 2nd and previously on September 6, 2013, the Committee wrote to the FBI requesting a broad range of documents from our investigative files. Specifically, in its September 6th letter, the Committee requested:

1. All documents and communications referring to the Internal Revenue Service's processing or evaluation of applicants for tax-exempt status from January 1, 2010.
2. All documents and communications referring to or related to the Tea Party or groups affiliated with the Tea Party movement from January 1, 2010, to the present.



Chairman Issa and Chairman Jordan

3. All documents and communications referring to or relating to the FBI's investigation into the IRS's mistreatment of groups applying for tax exempt status from the IRS from May 10, 2013 to the present.

In your December 2nd letter, the Committee reiterated these same requests for documents and communications.

This broad request for documents and communications encompasses the entire criminal investigative file and all communications relating to the ongoing criminal investigation into alleged IRS targeting of tax exempt groups. In fact, as noted in our letter to the Committee on October 31, 2013, "the documents you have requested are evidence in an ongoing investigation and cannot be released at this time." It is important that the investigators be permitted to conduct their investigation in a fair and impartial manner and use any documents or communications obtained to conduct interviews and to obtain additional evidence in order to pursue all the facts in the case. Maintaining the integrity of an ongoing criminal investigation has been a longstanding policy of the Department of Justice, and requests to disclose all documents and communications from an investigative file are generally deferred until the investigation has concluded. The Committee acknowledged in its December 2nd letter that the FBI has an interest in protecting the ongoing criminal investigation, and we would request that the Committee permit the investigators to complete their investigation and consult with federal prosecutors, as appropriate, to determine whether the evidence reveals a prosecutable violation of any statutes within our jurisdiction. As a result, we cannot provide the documents requested at this time while the criminal investigation is active and ongoing.

2. Request for Information Related to [REDACTED]

In your December 2nd letter, you wrote that "in our letter [referring to the September 6th letter], we also requested information about the FBI's contacts with [REDACTED]"

[REDACTED] The September 6th letter, however, does not refer to [REDACTED] nor does the letter ask any questions of the FBI (the letter only makes document requests quoted above). As such, it is not clear what specific request the Committee is referring to in the December 2nd letter.

The September 6th letter did include a paragraph expressing concern about allegations that [REDACTED] was contacted by the FBI and other federal agencies. The September 6th letter also acknowledged that the FBI had previously provided information to the Judiciary Committee in response to questions about contacts with the [REDACTED]. To be clear, the September 6th letter did not ask any questions about these contacts; it only expressed concern about them. To the extent the Committee wants to know about the FBI's contacts with the [REDACTED] or to the extent [REDACTED] is related to the [REDACTED] we provide you with the following information that was previously provided to staff for Congressman Jordan in August 2013.

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b7C

b7A  
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Chairman Issa and Chairman Jordan

In 2010, the FBI received [REDACTED]

b7A  
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b7C

3. Request for Information Related to Communications Between DOJ and FBI  
Related to the Committee's September 6th Letter to the FBI

In your December 2nd letter, you request "all documents and communications between or among FBI and DOJ employees referring to or relating to the Committee's letter request of September 6, 2013." In this regard, a draft of the FBI's response letter was provided to the Justice Department Office of Legislative Affairs for review, consistent with standard practice, prior to its submission to the Committee. The letter was corrected for style and one factual error (the letter was corrected to refer to two DOJ divisions rather than one in the second full paragraph), but was not otherwise edited by the Department. In addition, the Committee has requested documents and communications referring to or relating to any potential meetings involving [REDACTED] any potential briefings for Committee Members or staff, and the telephonic conversations between FBI employees and Committee staff on November 12, 18, and 20, 2013. Consistent with standard practice, we notified Department staff about our communications with your staff and then communicated the FBI's position to your staff.

b6  
b7C

In providing this information, the FBI strives to comply with Congressional requests for information to the fullest extent consistent with our constitutional and statutory obligations. We appreciate the Committee's continued support of the FBI and its mission. I hope this information proves helpful and should you have questions concerning this or other matters, please contact the FBI's Office of Congressional Affairs at [REDACTED]

b7E

Sincerely,



Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Chairman Issa and Chairman Jordan

- 1 - Honorable Elijah E. Cummings  
Ranking Member  
House Committee on Oversight and  
Government Reform  
U.S. House of Representatives  
Washington, DC 20515
- 2 - Honorable Bob Goodlatte  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515
- 3 - Honorable John Conyers  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515
- 4 - Honorable Matthew Cartwright  
Ranking Member  
Subcommittee on Economic Growth, Job Creation  
and Regulatory Affairs  
U.S. House of Representatives  
Washington, DC 20515

December 31, 2013

Honorable Darrell Issa  
Chairman  
House Committee on Oversight  
and Government Reform  
U. S. House of Representatives  
Washington, DC 20515

Honorable Jim Jordan  
Chairman  
Subcommittee on Economic Growth,  
Job Creation and Regulatory Affairs  
House Committee on Oversight  
and Government Reform  
U.S. House of Representatives  
Washington, DC 20515

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Dep. Director  
AD-Adm.  
AD-Ext. CI  
AD-Ext. Crim.  
AD-Intell.  
AD-LES  
Asst. Dir.:

Adm. Serv.  
CIS  
Crim. Intell.  
Crim. Inv.  
Cyber  
Finance  
Info. Res.  
Inspection  
Int. Tech.  
Laboratory  
Off. of Cong. & Public Affs.  
Off. of the Gen. Counsel  
Off. of Intell.  
Off. of Pub. Affs.  
Off. of Prof. Resp.  
Rec. Mgmt.  
Security  
Training  
Off. of EEOA

1 - FBI ExecSec, Room 6147 (TRIM # 13/DO/4311)

AD Kelly

1 - [REDACTED]

1 - OCA Member's Folder

b6  
b7C

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b7E

Sincerely,

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Chairman Issa and Chairman Jordan

- 1 - Honorable Elijah E. Cummings  
Ranking Member  
House Committee on Oversight and  
Government Reform  
U.S. House of Representatives  
Washington, DC 20515
- 2 - Honorable Bob Goodlatte  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
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- 3 - Honorable John Conyers  
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Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515
- 4 - Honorable Matthew Cartwright  
Ranking Member  
Subcommittee on Economic Growth, Job Creation  
and Regulatory Affairs  
U.S. House of Representatives  
Washington, DC 20515



U.S. Department of Justice

Federal Bureau of Investigation

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Washington, D.C. 20535

October 23, 2013

Honorable Robert W. Goodlatte  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Goodlatte:


By letter dated August 21, 2013, you requested responses to Questions for the Record posed to FBI Executive Assistant Director Douglas following the July 17, 2013, hearing regarding the Administration's use of the authorities afforded by the Foreign Intelligence Surveillance Act.

The questions posed to the FBI were also posed to the Deputy Attorney General and to the Office of the Director of National Intelligence. The FBI refers the Committee to those responses.

We appreciate your continued support of the FBI and its mission. Please feel free to contact this office at [redacted] if you have any questions or concerns regarding this or other matters.

b7E

Sincerely,

  
Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

1 - Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515



October 23, 2013

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Committee on the Judiciary  
U.S. House of Representatives  
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We appreciate your continued support of the FBI and its mission. Please feel free to contact this office at [redacted] if you have any questions or concerns regarding this or other matters.

b7E

Sincerely,

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Dep. Director \_\_\_\_\_  
EAD-Adm. \_\_\_\_\_  
EAD-CT/CI \_\_\_\_\_  
EAD-Crim. \_\_\_\_\_  
EAD-Intell. \_\_\_\_\_  
EAD-LES \_\_\_\_\_  
Asst. Dir.: \_\_\_\_\_  
Adm. Serv. \_\_\_\_\_  
CJIS \_\_\_\_\_  
Crimintell. \_\_\_\_\_  
Crim. Inv. \_\_\_\_\_  
Cyber \_\_\_\_\_  
Finance \_\_\_\_\_  
Info. Res. \_\_\_\_\_  
Inspection \_\_\_\_\_  
Inv. Tech. \_\_\_\_\_  
Laboratory \_\_\_\_\_  
Off. of Cong. Affs. \_\_\_\_\_  
Off. of the Gen. Coun. \_\_\_\_\_  
Off. of Intell. \_\_\_\_\_  
Off. Pub. Affs. \_\_\_\_\_  
Off. of Prof. Pers. \_\_\_\_\_  
Rec. Mgmt. \_\_\_\_\_  
Security \_\_\_\_\_  
Training \_\_\_\_\_  
Off. of EEOA \_\_\_\_\_

1 - Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515  
FBI ExecSec, Room 6147 (TRIM 13/DO/3283)  
1 - AD Kelly  
1 - OCA Member's Folder

MAIL ROOM ☐

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b7C

July 24, 2013

Honorable Robert W. Goodlatte  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

Pursuant to Public Law 102-395, Section 102(b)(5)(B), enclosed is a copy of a report on FBI undercover activity for fiscal year 2012. As required by statute, the report contains the number, by program, of undercover investigative operations pending at the end of each fiscal year, the number of undercover investigative operations initiated during the fiscal year, and the number of undercover operations closed during the fiscal year. Descriptions are provided of those closed operations which involve any of the sensitive circumstances specified in the Attorney General's Guidelines on FBI Undercover Operations.

As set forth above, the report contains sensitive information concerning FBI investigative activities. They are provided in furtherance of the Committee's oversight responsibilities. Information contained within should not be further disseminated without consultation with the FBI.

We appreciate the Committee's continued support of the FBI and its mission. Should you have questions concerning this or other matters, please contact the FBI's Office of Congressional Affairs at [REDACTED]

b7E

Sincerely,

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Dep. Director \_\_\_\_\_  
EAD-Adm. \_\_\_\_\_  
EAD-CT/CI \_\_\_\_\_  
EAD-Crim. \_\_\_\_\_  
EAD-Intell. \_\_\_\_\_  
EAD-LES \_\_\_\_\_

Asst. Dir.:

Adm. Serv. \_\_\_\_\_

CJIS \_\_\_\_\_

Crimintell. \_\_\_\_\_

Criminism \_\_\_\_\_

Crim. Inv. \_\_\_\_\_

Cyber \_\_\_\_\_

Finance \_\_\_\_\_

Ident. Res. \_\_\_\_\_

Inspection \_\_\_\_\_

Inv. Tech. \_\_\_\_\_

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Security \_\_\_\_\_

Training \_\_\_\_\_

Off. of EROA \_\_\_\_\_

Enclosure

1 - Honorable John Conyers, Jr.

Ranking Member

Committee on the Judiciary

U.S. House of Representatives

Washington, DC 20515

1 - FBI ExecSec, Room 6147

1 - AD Kelly

1 - [REDACTED]

1 - OCA Member's Folder

MAIL ROOM ☐

b6  
b7C



U.S. Department of Justice

Federal Bureau of Investigation

Washington, D.C. 20535

July 24, 2013

Honorable Robert W. Goodlatte  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
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b7E

Sincerely,

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Enclosure

1 - Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

# **ANNUAL REPORT TO CONGRESS**

FEDERAL BUREAU OF INVESTIGATION  
CRIMINAL UNDERCOVER ACTIVITY



**FISCAL YEAR 2012**

## **TABLE OF CONTENTS**

- I. The number of undercover investigative operations pending as of 09/30/2012, by program.
- II. The number of undercover investigative operations initiated during the period 10/01/2011 through 09/30/2012, by program; fiscal year 2012.
- III. The number of undercover investigative operations closed/expired during the period 10/01/2011 through 09/30/2012, by program; fiscal year 2012.

## Undercover Operations Defined

The Attorney General's Guidelines on FBI Undercover Operations define [redacted]

[redacted] For purposes of these Guidelines [redacted]

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### "Undercover Activities"

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[redacted] are distinguished by the existence or absence of sensitive and/or fiscal circumstances. [redacted]

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The sensitive circumstances, per the Attorney General's Guidelines, are as follows: Public Corruption; Intrusion into Government; Privileged Relationships; Safety; Felonious Activity by a UCE; Money Laundering in Excess of \$1,000,000; Third-Party Liability; Terrorism Enterprise Investigations; and Proprietaries.

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I. The number of undercover investigative operations that were pending as of

09/30/2012.

PROGRAM	Pending Group I UCOs	Pending Group II UCOs
Cyber Division (CyD)	01	07
Domestic Terrorism Strategic Operations (DTSO)	04	09
Financial Crimes (FC)	14	10
Latin American Southwest Border Threat (LASWBT)	02	08
Transnational Organized Crime Threat (TOCT)	04	09
Public Corruption/Civil Rights (PC/CR)	19	04
Violent Criminal Threat (VCT)	01	08
Violent Crimes Against Children (VCAC)	01	47
<b>TOTAL</b>	<b>46</b>	<b>102</b>

**II. The number of undercover investigative operations initiated during the period 10/01/2011 through 09/30/2012.**

PROGRAM	Initiated Group I UCOs	Initiated Group II UCOs
CyD	01	06
DTSO	04	05
FC	13	10
LASWBT	01	08
TOCT	03	09
PC/CR	18	03
VCT	01	07
VCAC	0	47
<b>TOTAL</b>	<b>41</b>	<b>95</b>

**III. The number of undercover investigative operations closed\* during the period 10/01/2011 through 09/30/2012.**

PROGRAM	Closed Group I UCOs	Closed Group II UCOs
CyD	0	04
DTSO	06	06
FC	04	13
LASWBT	04	04
TOCT	06	07
PC/CR	19	08
VCT	01	06
VCAC	0	03
<b>TOTAL</b>	<b>40</b>	<b>51</b>

The statistical information listed above in tables I, II, and III reflect numbers

tabulated for fiscal year 2012.

\*For the purposes of this report, as defined in Public Law (PL) 102-395, paragraph 6, subsection (A), *the term "closed" refers to the earliest point in time at which;*

- (i) all criminal proceedings (other than appeals) are concluded, or*
- (ii) covert activities are concluded, whichever occurs later.*

Per PL 102-395, paragraph 5, subsection (B) (iii), with respect to each such closed undercover operations, the results obtained.

The results for the 51 closed UCOs which did not have sensitive circumstances as defined in the Attorney General's Guidelines on FBI Undercover Operations are as follows:

- 98 Indictments
- 13 Informations
- 66 Complaints
- 118 Arrests
- 108 Convictions
- 108 Sentencings

With respect to each such closed undercover operation which involves any of the sensitive circumstances specified in the Attorney General's Guidelines on FBI Undercover Operations, such report shall contain a detailed description of the operation and related matters, including information pertaining to;

- (i) the results,
- (ii) any civil claims, and
- (iii) identification of such sensitive circumstances involved, that arose at any time during the course of such undercover operation.

The attached report of the six (6) closed UCOs which involved any of the sensitive circumstances specified in the Attorney General's Guidelines on FBI Undercover Operations includes the **Congressional Financial Report** prepared and provided by the Inspection Division's Audit Unit (INSD AU) as required by PL 102-395 paragraph 5, subsection A. PL 102-395 paragraph 5, subsection A states the FBI shall conduct a detailed financial audit of each undercover investigative operation closed during the fiscal year. For the purposes of the **Congressional Financial Report**, PL 102-395 paragraph 6, subsection C, defined the term "undercover investigative operation" and "undercover operation" as any undercover investigation of the FBI;

- (i) in which
  - (I) the gross receipts (excluding interest earned) exceed \$50,000 or
  - (II) the expenditures (other than expenditures for salaries of employees) exceed \$150,000, and
- (ii) which is exempted from section 3302 or 9102 of title 31 of the United States Code, except that clauses (i) and (ii) shall not apply with



respect to the report required under subparagraph (B) of such paragraph.

**CASE SUMMARIES/FUNDING DETAILS**  
**CONGRESSIONAL FINANCIAL REPORT**

1.     Name:                   Road Kill  
       Field Office:         Boston  
       UCO approved:        07/25/2005  
       UCO closed:          07/12/2012

**Description detail(s):** This undercover operation (UCO) was a complex, multi-agency, investigative operation which targeted members, officers, and associates of the Massachusetts chapters of the Outlaws Motorcycle Club (OMC). The primary goal of the UCO was the dismantlement of the Taunton Massachusetts Chapter of the OMC.

**A.     Results:**

- Twenty (20) Arrests
- One (1) Complaint
- Three (3) Indictments
- Twenty (20) Convictions
- Four (4) Disruptions
- One (1) Dismantlement
- Seizures/Forfeitures: 10 vehicles and \$90,631 in cash seized

**A1.    Congressional Financial Report:**

The accompanying Statement of Funding and Expenditures for the Road Kill UCO was prepared for the purpose of complying with the United States (U.S.) Department of Justice Appropriation Authorization Act, Fiscal Year 2003, as enacted by Public Law 102-395. The financial information presented in these statements is a compilation of the financial information for the entire period of the UCO. This UCO was audited quarterly by the internal auditors within the Boston Division.

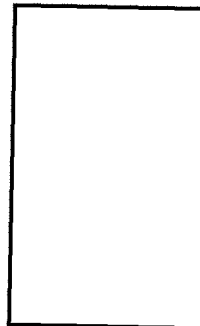
**STATEMENT OF FUNDING AND EXPENDITURES**

**Sources of Cash:**

Funds Provided by FBI  
Project Generated Income  
Interest Income  
Total Sources of Cash

**Operational Costs:**

Total Operational Costs  
Unused Funding Returned  
Total Remittances  
Total Uses of Case



b7E

**B.     Civil Claims:** None.

**C.     Sensitive Circumstances:** None.

2. Name: Sea Smoke  
Field Office: Newark  
UCO approved: 12/03/2009  
UCO closed: 06/03/2010

**Description detail(s):** This UCO targeted a Criminal Enterprise (CE) involved in the trafficking of contraband cigarettes, stolen property, counterfeit goods, and money laundering on a large scale. In a nine-year period before the start of the investigation, the CE had accumulated [REDACTED]

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[REDACTED] The CE consisted of numerous individuals who resided on/near the Poospatuck Indian Reservation. Specifically, four (4) individuals were targeted; the main subject and head of the CE who was subsequently arrested as part of this investigative operation.

**A. Results:**

- Four (4) Arrests/Convictions
- Three (3) State arrests
- One (1) Disruption/Dismantlement of CE
- Seizures/Forfeitures: 2007 International Truck; 2008 Ford F350 Pickup; 1999 Great Dane Trailer; 2007 Haulmark Trailer; 2007 Cadillac Escalade; one (1) diamond ring.

**A1. Congressional Financial Report:**

The accompanying Statement of Funding and Expenditures for the Sea Smoke UCO was prepared for the purpose of complying with the U.S. Department of Justice Appropriation Authorization Act, Fiscal Year 2003, as enacted by Public Law 102-395. The financial information presented in these statements is a compilation of the financial information for the entire period of the UCO. This UCO was audited quarterly by the internal auditors within the Newark Division.

**STATEMENT OF FUNDING AND EXPENDITURES**

**Sources of Cash:**

Funds Provided by FBI  
Project Generated Income  
PGI – Forfeiture  
Total Sources of Cash

**Operational Costs:**

Total Operational Costs  
Unused Funding Returned  
Income Remitted to USMS  
Total Remittance  
Total Uses of Cash

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**B. Civil Claims:** None.

**C. Sensitive Circumstances:** None.

3. Name: [redacted]  
Field Office: Washington Field  
UCO approved: [redacted]  
UCO closed: [redacted]

b7E

**Description detail(s):**

This UCO focused on [redacted]

**A. Results:**

- Twenty-two (22) Indictments
- Twenty-two (22) Arrests

**A1. Congressional Financial Report:**

The accompanying Statement of Funding and Expenditures for the [redacted] UCO was prepared for the purpose of complying with the U.S. Department of Justice Appropriation Authorization Act, Fiscal Year 2003, as enacted by Public Law 102-395. The financial information presented in these statements is a compilation of the financial information for the entire period of the UCO. This UCO was audited quarterly by the internal auditors within the Washington Field Division.

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**STATEMENT OF FUNDING AND EXPENDITURES**

**Sources of Cash:**

Funds Provided by FBI  
Project Generated Income  
Interest Income  
Total Sources of Cash

**Operational Costs:**

Total Operational Costs  
Unused PGI Remitted to FBIHQ  
Funds Remitted to FBIHQ  
Total Uses of Case

[redacted]

b7E

**B. Civil Claims:** None

**C. Sensitive Circumstances:** [redacted]

4. Name: [redacted]  
Field Office: Newark  
UCO approved: [redacted]  
UCO closed: [redacted]

Description detail(s):

[redacted]

b7E

A. Results: No arrests and/or convictions were generated from this UCO.

A1. Congressional Financial Report:

The [redacted] UCO totaled [redacted] in expenditures and did not have any project generated income (PGI). This case did not qualify for a Congressional Financial Report due to the UCO not exceeding \$150,000 in expenditures, or \$50,000 in PGI. This UCO was audited quarterly by the internal auditor within the Newark Division.

B. Civil Claims: None

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C. Sensitive Circumstances:

[redacted]

5.

Name:

[redacted]

Field Office:

San Juan

UCO approved:

[redacted]

UCO closed:

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**Description detail(s):** This UCO was to

[redacted]

[redacted]

A. **Results:** There were no statistical accomplishments claimed for this operation.

A1. **Congressional Financial Report:**

The [redacted] UCO totaled [redacted] in expenditures and did not have any PGI. This case did not qualify for a Congressional Financial Report due to the UCO not exceeding \$150,000 in expenditures or \$50,000 in PGI. This UCO was audited quarterly by the internal auditor within the San Juan Division.

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B. **Civil Claims:** None

C. **Sensitive Circumstances:**

[redacted]

[redacted]

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6.     Name:                 Faux Hawk  
       Field Office:       Washington Field  
       UCO approved:       03/09/2011  
       UCO closed:         09/10/2012

**Description detail(s):**

This UCO was to identify and apprehend suspects conducting armed robberies and conspiring to commit bank robberies in Prince Williams and Fairfax Counties, both within the Washington Field Office territory.

**A.     Results:**

- Twelve (12) Arrests
- Ten (10) Indictments/Informations
- Ten (10) Sentencings
- Four (4) weapons recovered; four (4) forfeited

**A1.    Congressional Financial Report:**

The Faux Hawk UCO totaled \$0 in expenditures and did not have any PGI. This case did not qualify for a Congressional Financial Report due to the UCO not exceeding \$150,000 in expenditures or \$50,000 in PGI. This operation was audited quarterly by the internal auditors within the Washington Field Office.

**B.     Civil Claims: None**

**C.     Sensitive Circumstances: Felonious Undercover Employee (UCE) activity.**



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U.S. Department of Justice  
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Federal Bureau of Investigation

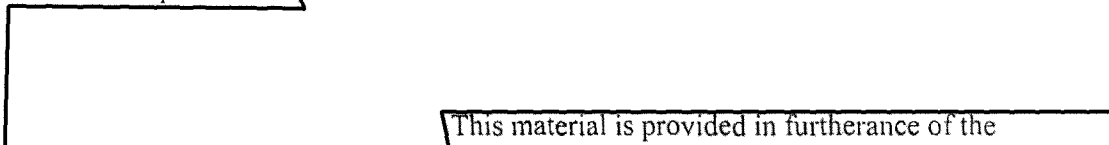
Washington, D.C. 20535

September 4, 2013

Honorable Robert W. Goodlatte  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

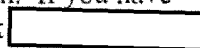
Dear Chairman Goodlatte:

In furtherance of the Committee's oversight interest in the information available to the FBI prior to the




This material is provided in furtherance of the Committee's oversight activities. We request that you not disseminate it further without prior consultation with this office.

We appreciate your continued support of the FBI and its mission. If you have questions concerning this or another matter, please contact our office at



Sincerely,

  
Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Enclosure

1 - Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

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UNCLASSIFIED WHEN SEPARATED FROM CLASSIFIED ENCLOSURE

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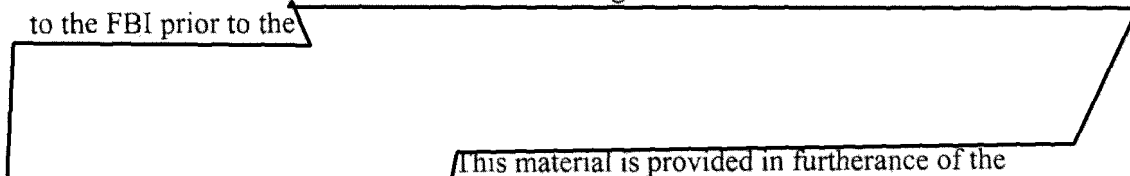
UNCLASSIFIED WHEN SEPARATED FROM CLASSIFIED ENCLOSURE

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Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

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b7E

Sincerely,

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Enclosure

Dep. Director \_\_\_\_\_  
FAD-Adm. \_\_\_\_\_  
FAD-CTCI \_\_\_\_\_  
FAD-Crim. \_\_\_\_\_  
FAD-Intell. \_\_\_\_\_  
FAD-LIS \_\_\_\_\_  
Asst. Dir.: \_\_\_\_\_  
Adm. Serv. \_\_\_\_\_  
CIS \_\_\_\_\_  
Crim. Inv. \_\_\_\_\_  
Cyber \_\_\_\_\_  
Finance \_\_\_\_\_  
Info. Res. \_\_\_\_\_  
Inspection \_\_\_\_\_  
Inv. Tech. \_\_\_\_\_  
Laboratory \_\_\_\_\_  
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Coun. \_\_\_\_\_  
Off. of Intell. \_\_\_\_\_  
Off. Pub. Affs. \_\_\_\_\_  
Off. of Prof. Resp. \_\_\_\_\_  
Rec. Mgmt. \_\_\_\_\_  
Security \_\_\_\_\_  
Training \_\_\_\_\_  
Off. of EEOA \_\_\_\_\_

1 - Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515  
1 - FBI ExecSec, Room 6147  
1 - AD Kelly



1 - OCA Member's Folder

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UNCLASSIFIED WHEN SEPARATED FROM CLASSIFIED ENCLOSURE



U.S. Department of Justice

Federal Bureau of Investigation

Washington, D.C. 20535

November 20, 2013

Honorable Robert W. Goodlatte  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

In response to the reporting requirement set forth in the Civil Asset Forfeiture Act of 2000 (CAFRA)(18 U.S.C. Section 938 (a)(1)(E)), this letter provides information concerning the number of extensions in non-judicial forfeitures granted by the FBI during periods from October 1, 2012 through September 30, 2013.

18 U.S.C. § 983(a)(1)(E) states: "each of the Federal seizing agencies conducting judicial forfeitures under this section shall report periodically to the Committee on the Judiciary of the House of Representatives and the Senate, the number of occasions when an extension of time is granted under [the aforementioned] subparagraph (B)."

A review of the FBI's records indicates that between October 1, 2012 and September 30, 2013 (fiscal year 2013), the FBI granted twenty six (26) requests for 30-day extension of the 60-day noticing deadline in non-judicial forfeitures. During this same time period, the FBI processed one thousand nine hundred and seventy (1,970) non-judicial forfeitures.

We appreciate your continued support of the FBI and its mission. Should you have any questions concerning this or other matters, please contact the FBI's Office of Congressional Affairs at [REDACTED]

b7E

Sincerely,

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

1 - Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

November 20, 2013

Honorable Robert W. Goodlatte  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

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We appreciate your continued support of the FBI and its mission. Should you have any questions concerning this or other matters, please contact the FBI's Office of Congressional Affairs at [redacted].

Sincerely,

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

Dep. Director  
FAD-Adm.  
FAD-CTU  
FAD-Crim.  
FAD-Intell.  
FAD-LIS  
Asst. Dir.:  
Adm. Serv.  
CJIS  
Crim. Inv.  
Crim. Intell.  
Crim. Lab.  
Cyber  
Finance  
Info. Res.  
Inspection  
Inv. Tech.  
Laboratory  
Off. of Cong. Affs.  
Off. of the Gen. Coun.  
Off. of Intell.  
Off. of Pub. Affs.  
Off. of Prof. Resp.  
Rec. Mgmt.  
Security  
Training  
Off. of FOIA  
1 - Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515  
FBI ExecSec, Room 6147  
AD Kelly  
1 - [redacted]  
1 - OCA Member's Folder

MAIL ROOM ☐

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**U.S. Department of Justice**

**Federal Bureau of Investigation**

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*Washington, D.C. 20535*

May 8, 2013

Honorable Robert W. Goodlatte  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

In response to the reporting requirement set forth in the Civil Asset Forfeiture Reform Act of 2000 (CAFRA)(18 U.S.C. Section 938 (a)(1)(E)), this letter provides information concerning the number of extensions in non-judicial forfeitures granted by the FBI during the periods from October 1, 2010 through September 30, 2011 and October 1, 2011 through September 30, 2012.

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A review of the FBI's records indicates that between October 1, 2010 and September 30, 2011 (fiscal year 2011), the FBI granted thirty nine (39) requests for 30-day extensions beyond the 60-day noticing deadline in non-judicial forfeitures. During this same time period, the FBI processed one thousand seven hundred and ninety nine (1,799) non-judicial forfeitures.

Between October 1, 2011 and September 30, 2012, the FBI granted forty eight (48) requests for 30-day extensions beyond the 60-day noticing deadline in non-judicial forfeitures. During this same time period, the FBI processed one thousand nine hundred and fourteen (1,914) non-judicial forfeitures.

Honorable Robert W. Goodlatte

We appreciate your continued support of the FBI and its mission. Should you have questions concerning this or other matters, please contact the FBI's Office of Congressional Affairs at

b7E

Sincerely,



Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

1 - Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

May 8, 2013

Honorable Robert W. Goodlatte  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

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Dep. Director \_\_\_\_\_  
EAD-Adm. \_\_\_\_\_  
EAD-CY/CI \_\_\_\_\_  
EAD-Crim. \_\_\_\_\_  
EAD-Intell. \_\_\_\_\_  
EAD-LES \_\_\_\_\_  
Asst. Dir.: \_\_\_\_\_  
Adm. Serv. \_\_\_\_\_  
CHS \_\_\_\_\_  
Crim. Inv. \_\_\_\_\_  
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Rec. Mgmt. \_\_\_\_\_  
Security \_\_\_\_\_  
Training \_\_\_\_\_  
Off. of EEOA \_\_\_\_\_

MAIL ROOM ☐

Honorable Robert W. Goodlatte

We appreciate your continued support of the FBI and its mission. Should you have questions concerning this or other matters, please contact the FBI's Office of Congressional Affairs at [REDACTED]

Sincerely,

b7E

Stephen D. Kelly  
Assistant Director  
Office of Congressional Affairs

- 1 - Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515
- 1 - Stephen Jobe, WB 510
- 1 - FBI ExecSec, Room 6147
- 1 - AD Kelly
- 1 - [REDACTED]
- 1 - CLU II
- 1 - OCA Member's Folder

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**U.S. Department of Justice**

**Office of Legislative Affairs**

Office of the Assistant Attorney General

Washington, D.C. 20530

July 17, 2013

The Honorable Charles E. Grassley  
Ranking Member  
Committee on the Judiciary  
United States Senate  
Washington, D.C. 20510

The Honorable Lamar Smith  
Chairman  
Committee on Science, Space  
and Technology  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Frank R. Wolf  
Chairman  
Subcommittee on Commerce, Justice,  
Science and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Senator Grassley, Chairman Wolf, and Chairman Smith:

This responds to your letter of June 18, 2013, and follows up on our letter of April 17, 2013 in response to your letters to then Assistant Attorney General Lisa O. Monaco and United States Attorney Melinda L. Haag dated February 27, 2013, regarding allegations that political considerations influenced prosecutorial decisions in a matter involving the NASA Ames Research Center.

We want to assure you that political considerations had no bearing on the decisions made in this matter. As you have previously indicated, the United States Attorney has publicly stated that her office did not seek authority from the Department of Justice in Washington, D.C. to bring charges in the matter (and that, therefore, any allegation that such a request was denied was unfounded). Nonetheless, we take your concerns very seriously and undertook a review regarding the allegations raised in your correspondence. We have not identified any information that is inconsistent with the United States Attorney's statement.

You have also requested information about communications between various entities during the investigation. We note that consistent with the United States Attorney's Manual, during the course of the investigation, the United States Attorney's Office consulted with career attorneys in the National Security Division. In addition, the United States Attorney's Office had regular contact with NASA's Office of the Inspector General, which was one of the investigative



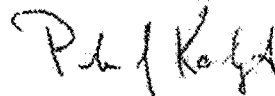
The Honorable Charles E. Grassley  
The Honorable Lamar Smith  
The Honorable Frank R. Wolf  
Page 2

agencies in this matter. We are not aware of communications regarding this matter with the other offices referenced in your February letters. Finally, to the extent that you are requesting the details of any internal Executive Branch communications, consistent with long-standing Department policy, we are not prepared to provide those because we have significant confidentiality interests in internal deliberations relating to law enforcement matters.

We understand from your February 27 and June 18 letters that you may have additional information from law enforcement sources that would assist us in better understanding the genesis of your concerns. We appreciate that you have forwarded our request from April 17 to your sources; and we reiterate our request for any information you may have about this matter.

We hope this information is helpful. Please do not hesitate to contact this office if we may provide additional assistance with this or any other matter.

Sincerely,



Peter J. Kadzik  
Principal Deputy Assistant Attorney General

cc: The Honorable Patrick J. Leahy  
Chairman  
Committee on the Judiciary

The Honorable Eddie Bernice Johnson  
Ranking Member  
Committee on Science, Space and Technology

The Honorable Chaka Fattah  
Ranking Member  
Subcommittee on Commerce, Justice Science,  
and Related Agencies  
Committee on Appropriations



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U.S. Department of Justice

Federal Bureau of Investigation

Office of the Director

Washington, D.C. 20535-0001

May 31, 2013

The Honorable Bob Goodlatte  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

(U//~~FOUO~~) Subsection 702(1)(3) of the Foreign Intelligence Surveillance Act, as amended ("the Act"), requires that the head of each element of the Intelligence Community conducting an acquisition authorized under subsection 702(a) of the Act shall conduct an annual review to determine whether there is reason to believe that foreign intelligence information has been or will be obtained from the acquisition. The Federal Bureau of Investigation has conducted acquisitions authorized under subsection 702(a) and provides the attached report to fulfill the reporting requirement for September 1, 2011, to August 31, 2012.

(U//~~FOUO~~) Should you have any questions, please contact the Office of Congressional Affairs at

b7E

Sincerely,

Robert S. Mueller, III  
Director

Enclosure

cc The Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, D.C. 20515

(U)

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This correspondence may be downgraded to UNCLASSIFIED // FOR OFFICIAL USE ONLY upon removal of enclosure.

~~SECRET//NOFORN~~  

**(U) Report Pursuant to Section 702(l) of the Foreign Intelligence Surveillance Act for the  
Period September 1, 2011 through August 31, 2012**

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~~(U//FOUO)~~ The report is made pursuant to the requirements of Section 702(l)(3) of the Foreign Intelligence Surveillance Act, as amended (FISA). This annual report covers the period from September 1, 2011, through August 31, 2012. This report is provided to the Foreign Intelligence Surveillance Court (FISC), the Attorney General, the Director of National Intelligence, the congressional intelligence committees, and the Committees on the Judiciary of the House of Representatives and the Senate.

**FISA INFORMATION**

This document contains information from Foreign Intelligence Surveillance Act (FISA) collection. This information, and any information derived therefrom, may not be used in any foreign or domestic criminal, administrative, or other proceeding without the advance authorization of the Attorney General. If concerning a U.S. person(s), this information may be disseminated to a foreign government only with prior authorization from FBIHQ. Any reproduction, dissemination, or communication (including, but not limited to, oral briefings) of this information must be accompanied by a statement of these restrictions.

**I. ~~(U//FOUO)~~ The FBI's Role in the Implementation of FISA Section 702**

(S)

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~~Reason: 1.4 (b) (c) (d)  
Derived From: FBI  
NSISC-20090615  
Declassify On: 200380531~~

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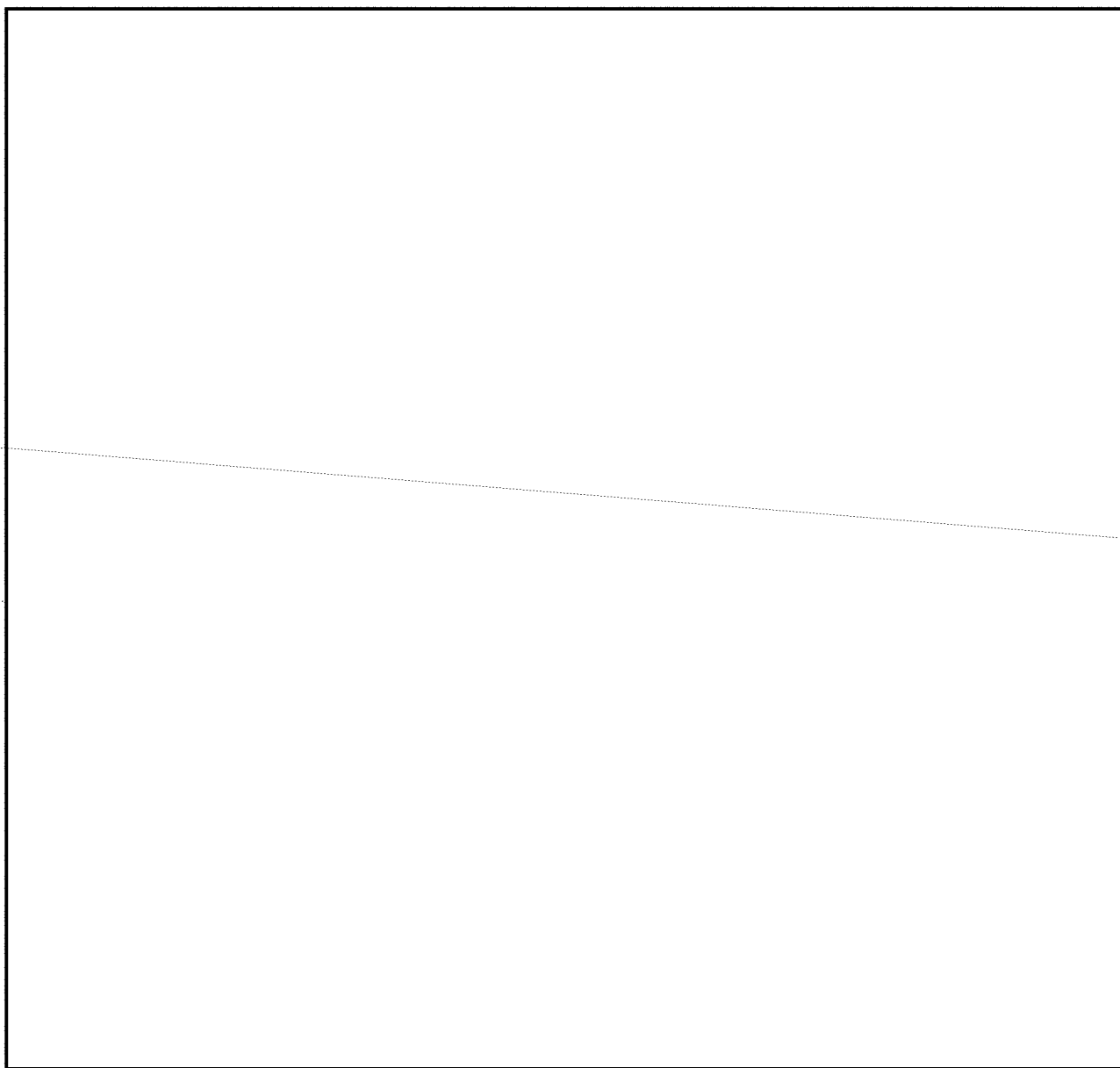
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**II. (U//~~FOUO~~) Foreign Intelligence Information Obtained from Acquisition under FISA Subsection 702(a)**



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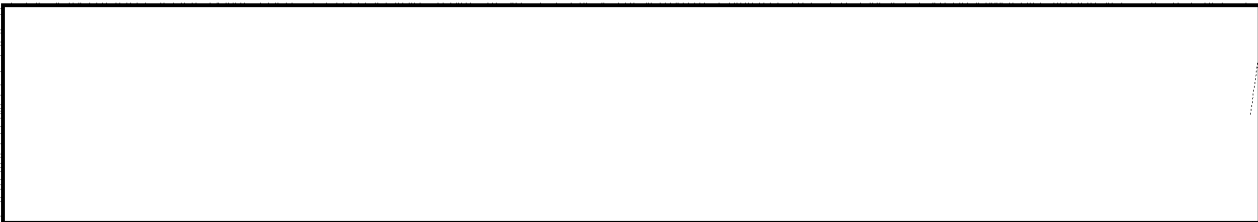
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(U//FOUO) The FBI has every reason to believe that acquisition pursuant to subsection 702(a) will continue to provide valuable foreign intelligence.

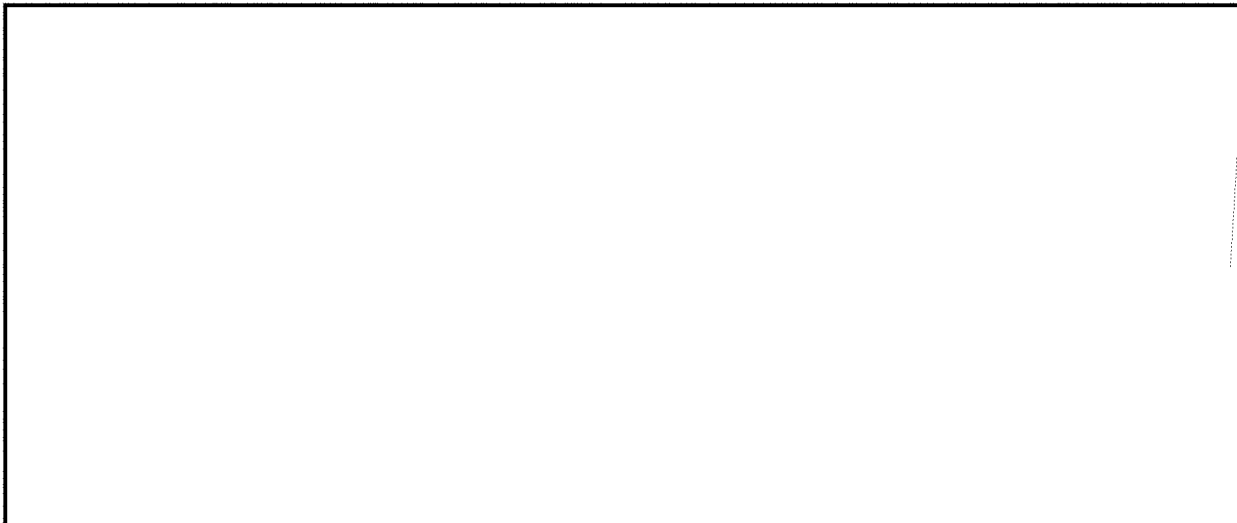
**III. (U//FOUO) Data Required by Subsection 702(I)(3)(A)(i)-(iii)**

(U//FOUO) Section 702(I)(3)(A) further requires the head of each element provide, with respect to acquisitions authorized under subsection (a): "(i) an accounting of the number of disseminated intelligence reports containing a reference to a United States-person identity; (ii) an accounting of the number of United States-person identities subsequently disseminated by that element in response to requests for identities that were not referred to by name or title in the original reporting; [and] (iii) the number of targets that were later determined to be located in the United States and, to the extent possible, whether communications of such targets were reviewed."

**i. (U) Disseminated Intelligence Reports Referencing United States Person Identities**



(S)

b1  
b3

(S)

b1  
b3

**ii. (U) Subsequent Identifications of United States Persons Not Initially Identified**

[redacted]

(S)

**iii. (U) Targets Later Determined to be Located in the United States**

b1  
b3

[redacted]

(S)

**IV. (U) Procedures to Assess Extent of Acquisitions of United States Persons' Communications**

(U//~~FOUO~~) Subsection 702(I)(3)(A)(iv) requires that the head of each element provide "a description of any procedures developed by the FBI and approved by the Director of National Intelligence to assess—in a manner consistent with national security, operational requirements, and the privacy interests of United States persons—the extent to which the acquisitions authorized under subsection (a) acquire communications of United States persons, and the results of any such assessment."

(U//~~FOUO~~) Existing targeting and minimization procedures, FBI internal oversight procedures, and oversight by the Department of Justice, the Office of the Director of National Intelligence, two Offices of the Inspectors General, and the FISC, assure that Section 702

[redacted]

(S)

b1  
b3

authorities are being executed appropriately and in a manner consistent with the statute and the Fourth Amendment of the Constitution of the United States. During the relevant reporting period, FBI did not develop any additional procedures to assess the extent to which the acquisitions authorized under subsection 702(a) acquire the communications of United States persons. Communications of United States persons that are acquired under subsection 702(a) are treated in accordance with applicable legal and policy requirements and procedures to safeguard the privacy interests of United States persons.